

2013-2014 Annual Action Plan

**CDBG/HOME Programs
July 1, 2013 –June 30, 2014**

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Strib Boynton, City Manager**

City Council Members:

**Britt Moore, At-Large, Mayor Pro Tem
Jeff Golden, Ward 1
Judy Mendenhall, Ward 3
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Submitted by

Community Development & Housing Department

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I. Executive Summary

The City of High Point's 2013-2014 Annual Action Plan, the fourth of a 5-year period from 2010 - 2014, describes activities proposed for funding and implementation during FY 2013-2014. The Action Plan sets forth a description of proposed activities, establishing goals and objectives for each of them. The Plan is based on the housing and community priority needs as defined in the Consolidated Plan¹ along with the anticipated financial resources available to address those needs. The Plan also contains goals and measurable objectives for projects and activities which implement strategies established in the Consolidated Plan. The 2013-2014 Annual Action Plan complies with regulations issued by the U.S. Department of Housing and Urban Development (HUD) in 1995. HUD requires Entitlement² communities such as High Point to consolidate its planning, application and reporting requirements for HUD programs including the Community Development Block Grant (CDBG) and the HOME Investment Partnership Grant programs (HOME). The Action Plan must be prepared each year. It is presented for approval to the Citizens Advisory Council and City Council. It must be submitted to HUD by May 16, 2013. A final Plan will be made available for review on the City's website, www.high-point.net/cd and in print form at the Community Development and Housing Department's office, 211 S. Hamilton Street, Suite 312, High Point, NC 27261.

II. Community Development and Housing Department Overview

The City of High Point's Community Development and Housing Department (CD&H) is committed to providing the highest level of service and a broad range of opportunities to its customers. Recognizing that neighborhoods cannot be strengthened simply with "sticks and bricks," the Department implements a diverse but coordinated mixture of programs ranging from affordable housing activities to public services to various neighborhood improvement activities and community-capacity building.

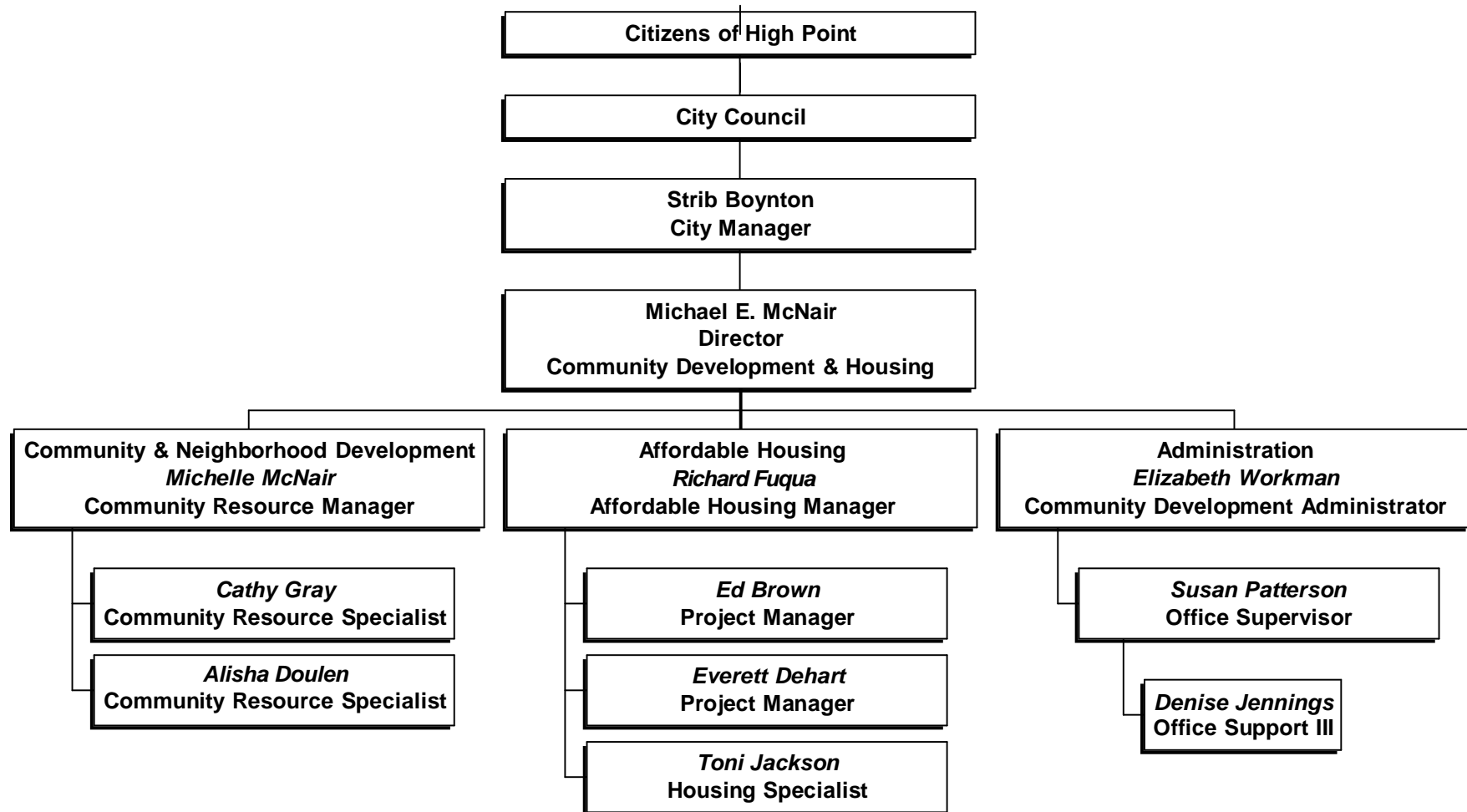
CD&H is responsible for program administration, monitoring, compliance and evaluation. It prepares the 5-year Consolidated Plan and the One-Year Action Plan. The Department also manages the citizen participation process; makes program documents available for public inspection/comment; assists the Citizens Advisory Council; and seeks City Council approval of the Action Plan. Each year the Department prepares a Consolidated Annual Performance and Evaluation Report³ (CAPER) to inform citizens of the use and impact of community development funds. CD&H staff provide progress reports to the City Manager, the Citizens Advisory Council and City Council. These reports include recommendations on reallocation of funds as appropriate. The Department's organization chart is shown on the next page.

¹ A five-year plan that describes a community's needs, resources, priorities, and proposed activities to be undertaken with HUD funding, primarily CDBG and HOME program funds. The Consolidated Plan is updated annually

² A city which, based on factors such as its population, age of housing and poverty levels, is entitled to receive CDBG funds directly from HUD.

³ A CAPER reports how jurisdictions carried out housing and community strategies, projects and activities in the past year.

Community Development and Housing Organizational Chart



A. Citizens Advisory Council

The Citizens Advisory Council (CAC), a nine-member volunteer entity composed of city residents, plays a key role in the planning process. CAC members are appointed by the Mayor and City Council, and are limited to two consecutive two-year terms. The CAC was established in April 1974 to function as the primary citizen participation mechanism for projects planned and implemented with HUD funds. CD&H is responsible for providing administrative and technical support to the CAC. The CAC meets once a month; all meetings are conducted in an open manner, with freedom of access for all interested persons. Current members are:

Jerry Mingo, Chair At large
Jeffery Sypole, Ward 3
Scott Niebauer, Ward 6

Jeffrey Golden, Ward 1
Myra Clodfelter, Ward 4
Teresa Jones-Echard, At-Large
Jason Ewing, City Council Liaison

Jermaine Dawson, Ward 2
Thomas Kak, Ward 5
Yvonne Short, At-Large

B. The Planning Process

Participation of the general public and of public organizations is extremely important to the development of the Annual Action Plan. To maximize citizen participation, CD&H staff conducts a series of community meetings to discuss the planning process and solicit input. Community meetings are advertised in local newspapers at least 14 days in advance. This year's meetings were held as follows:

High Point Public Library
High Point Public Library

March 7, 2013
March 14, 2013

During these meetings, staff reviewed HUD national objectives as well as ongoing department activities, and facilitated a discussion of community needs along with suggestions for improving programs. Meeting with the community gives the department the best opportunities to interact with residents and receive feedback. Staff regularly attend neighborhood group and association meetings in the Core City throughout the year which builds partnerships, maintains meaningful and productive relationships in the community, and enhances the Department's ability to develop responsive, relevant programs.

C. Public Hearings

Two public hearings were conducted on the proposed Action Plan. The Citizens Advisory Council conducted the first public hearing at 6:30 PM on Thursday, March 28, 2013 at the Community & Neighborhood Development Center, 201 Fourth Street, High Point. The second public hearing was conducted by City Council during its regularly scheduled meeting on Monday, April 15, 2013 in City Council chambers on the third floor of City Hall, 211 South Hamilton Street.

D. Public Notice

The Community Development and Housing Department published a draft of the proposed 2012-2013 Annual Action Plan for public review and comment. The period of public review was for 30 days beginning March 11th ending April 12th, 2013. The proposed plan was available for review at the following locations:

- City of High Point Parks & Recreation Dept., 136 Northpoint Avenue
- Community Development & Housing Department, Room 312, City Hall, 211 S. Hamilton Street
- Community & Neighborhood Development Center, 201 Fourth Street
- Fairview Family Resource Center, 401 Taylor Avenue
- Macedonia Family Resource Center, 401 Lake Avenue
- West End Community Center, 901 English Road
- Washington Terrace Recreation Park, 108 Gordon Street
- Morehead Recreation Center, 101 Price Street
- High Point Housing Authority, 500 E. Russell Street
- Department of Social Services, 325 East Russell
- Carl Chavis YMCA, 2357 Granville Street

The Annual Action Plan describes housing and community development activities proposed by the City between July 1, 2013 and June 30, 2014 with a blend of HOME, CDBG Entitlement, program income, and local funds. The Plan also identifies other activities funded by a Lead Hazard Control grant, Health and Human Services, and Shelter Plus Care. For more information, please call or write: Community Development & Housing Department, City of High Point, PO Box 230, High Point NC 27261 or visit our website: www.high-point.net/cd. The City of High Point's meeting facilities are accessible to people with disabilities; those needing special accommodations may call (336) 883-3298 (voice) or (336) 883-8517 (TDD) to make prior arrangements.

E. Projected Sources of Funding

The CDBG program was created to plan and implement projects that foster revitalization of eligible communities throughout the United States. High Point is an Entitlement city, eligible to receive an annual CDBG allocation directly from HUD. Title I of the Housing and Community Development Act of 1974, as amended, is the legislation that authorizes the federal government to disburse block grant funds. The primary goal of this legislation is the development of viable urban communities. Program objectives include the provision of decent housing, a suitable living environment and expanded opportunities principally for low to moderate-income individuals and families.

The City of High Point has been an Entitlement city for 37 years. CDBG-funded projects and activities must meet one of three broad national objectives; all of High Point's CDBG-funded activities in the Annual Action Plan meet at least one of these national objectives:

1. Benefit low and moderate income persons
2. Aid in the prevention and/or elimination of slums or blight
3. Meet community development needs having a particular urgency

HUD also allocates HOME program funding to assist in implementing affordable housing strategies that address local housing needs. This program strives to meet both the short-term goal of increasing the supply and availability of affordable housing and the long-term goal of building partnerships between state and local governments and non-profit housing providers. It was created under the auspices of the National Affordable Housing Act of 1990. The HOME program affirms the federal government's commitment to:

- Provide decent, safe and affordable housing to all Americans
- Alleviate the problems of excessive rent burdens
- Alleviate and/or eliminate homelessness
- Eliminate deteriorating housing stock

Funds to operate the program are allocated by formula. Grantees must spend their allocations within five years, otherwise funds are subject to recapture by HUD. In the past the City of High Point received its HOME funds allocation as part of a consortium that included the cities of Greensboro and Burlington as well as Alamance and Guilford counties. The City was a member of the consortium⁴ for a decade. The 2011-2012 Annual Action Plan represents the eighth year that High Point has been a Participating Jurisdiction⁵, receiving HOME funds directly from HUD. Normally HUD requires a 25% cash match from the City; however, the City qualified for a match reduction according to HUD calculations this past year, and we anticipate a renewal in the next fiscal year.

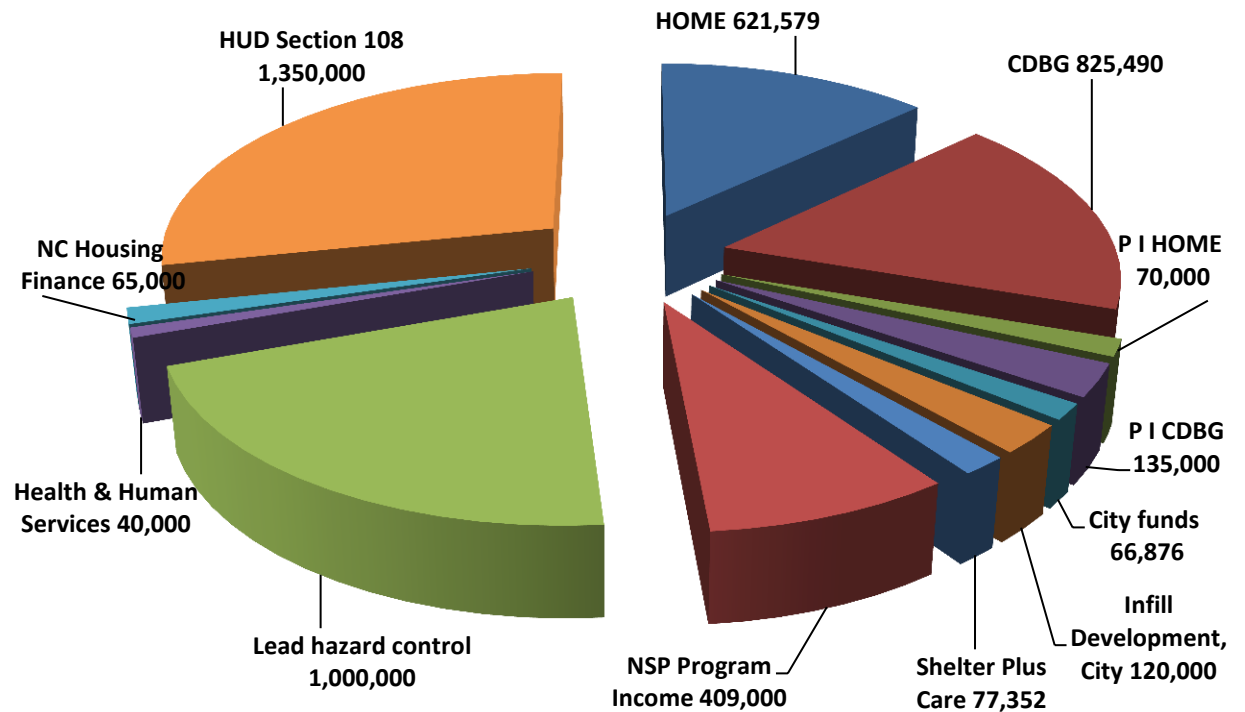
HUD regulations require the City to identify all resources expected to be available to implement activities identified in this Annual Action Plan. These funds, enumerated in the chart on the next page, will be used to develop a coordinated, comprehensive approach to the core goals identified in the Plan.

⁴ A HOME consortium is a legal entity comprised of contiguous units of local government. Typically a group of local governments choose to form a consortium primarily because one or more members are not eligible to receive a formula allocation, or their formula allocation would not meet the minimum threshold for funding.

⁵ HUD designation as a participating jurisdiction occurs if a State or local government meets funding thresholds, notifies HUD that it intends to participate in the program, and obtains approval by HUD of a Consolidated Plan.

| Anticipated Funding & Source | HOME | CDBG | City Funds | Other Funds | Total |
|--|------------------|------------------|------------------|--------------------|--------------------|
| CDBG Program Funds 2013-2014 | | \$715,490 | | | |
| CDBG Funds, prior year | | 110,000 | | | |
| CDBG Program Income | | 135,000 | | | |
| HOME Program Funds 2013-2014 | \$ 304,929 | | | | |
| HOME funds, prior year | 316,650 | | | | |
| HOME Program Income | 20,000 | | | | |
| Consortium Program Income | 50,000 | | | | |
| City Infill Development Funds | | | 120,000 | | |
| City funds, 1 salary/operating expense | | | 66,876 | | |
| LEAD Hazard Control | | | | | 1,000,000 |
| NSP Program Income | | | | 409,000 | |
| Health & Human Services - IDA | | | | 40,000 | |
| Shelter Plus Care | | | | 77,352 | |
| NC Housing Finance | | | | 65,000 | |
| HUD Section 108 | | | | 1,350,000 | |
| TOTALS | \$691,579 | \$960,490 | \$186,876 | \$2,941,352 | \$4,780,297 |

The 2013-14 Annual Plan budget is illustrated on the right. HUD's CDBG and HOME funds provide the bulk of funds used to provide affordable housing, neighborhood revitalization, emergency repairs, down payment assistance and community programs. Lead poison remediation and HUD Section 108 funds constitute the largest sources of funds this budget year. Program income (loan repayment) is added to the budget as well. The City also provides one staff salary, infill development funds, and some operating funds.



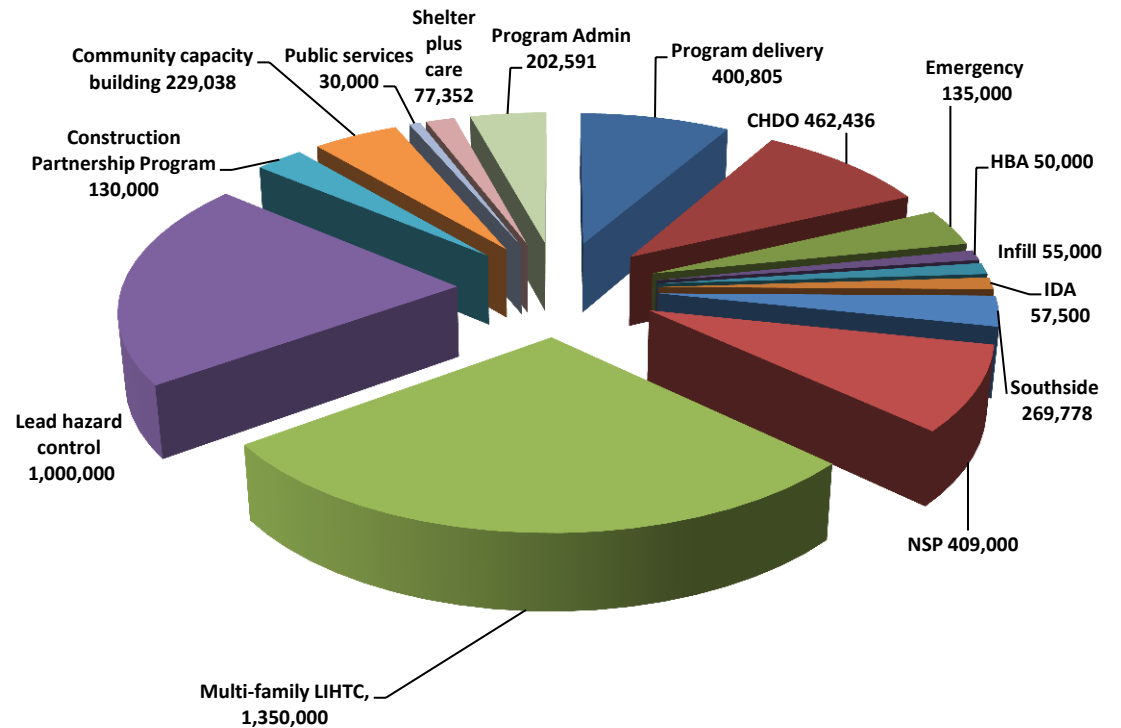
Proposed Use of Funding

| | | | |
|-------------------------------|--|------------------|---|
| Affordable Housing | Program Delivery | 400,805 | Delivery costs to provide affordable housing |
| | CHDO | 462,436 | Affordable housing development |
| | Emergency Repair | 179,925 | Home repairs |
| | Homebuyer Assistance | 50,000 | Home purchase, loans/grants |
| | Infill | 55,000 | Acquisition and new construction |
| | Individual Development Accounts | 57,500 | Finance/household management skills |
| | Southside Revitalization | 146,650 | Neighborhood improvement |
| | NSP | 409,000 | Purchase/lease foreclosed renovated homes |
| | Multi-family LIHTC | 1,350,000 | Multi-family units |
| | Construction Partnership | 130,000 | Construction training program |
| | Lead Hazard Control | 1,000,000 | Lead-based paint remediation |
| | Total | 4,241,316 | |
| CNDD | Community Capacity Building & Projects | 229,038 | Community capacity-building programs |
| | Public Service Grants | 30,000 | Public Service grants |
| | Shelter Plus Care | 77,352 | Permanent housing for homeless persons w/disabilities |
| | Total | 336,390 | |
| Program Administration | HOME & CDBG | 202,591 | Operating, program design, neighborhood analysis |
| | Total | 202,591 | |
| GRAND TOTAL | | 4,780,297 | |

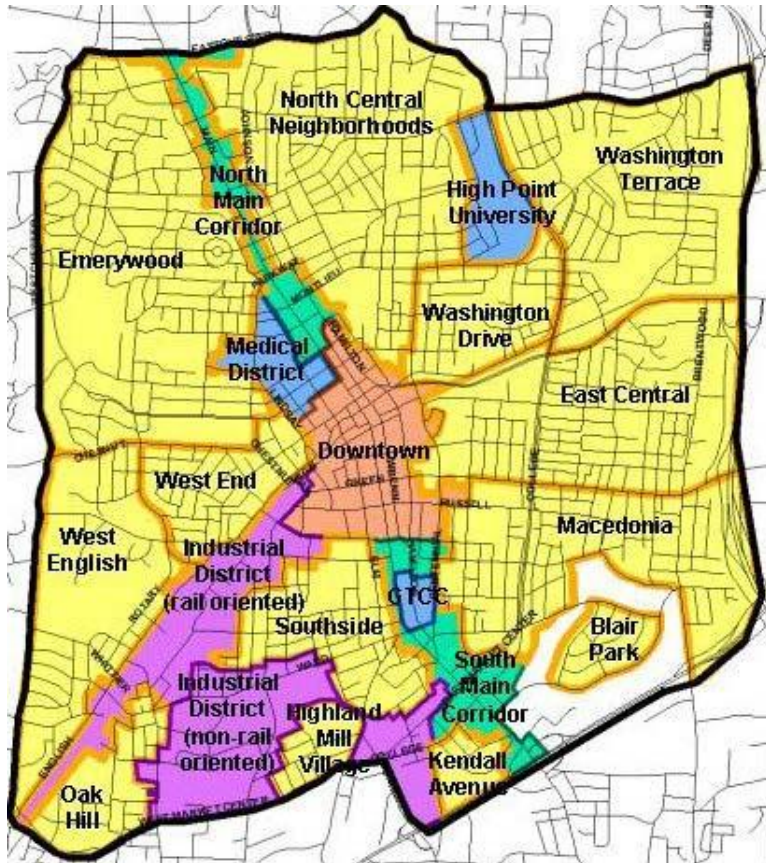
In accordance with HUD regulations, the Department designs and implements various affordable housing, community and neighborhood development strategies to meet identified needs.

Affordable housing strategies are designed to increase the supply of affordable housing, improve the condition of existing low-income housing stock, and enhance the accessibility of affordable housing to low-to-moderate income homebuyers.

Community & Neighborhood Development (CNDD) strategies focus on community capacity-building, enhancing provision of public services and assisting implementation of the Guilford County 10-year Plan to End Homelessness.



F. Geographic Priorities and Core City Plan



The Core City Plan is a major initiative of the High Point City Council. On September 8, 2005, a contract was awarded to the Walker Collaborative to conduct the planning process as well as prepare a Vision and Plan. After the Plan was completed, the Community Growth Vision Statement and Core City Plan were adopted by the High Point City council on February 8, 2007. The Plan's purpose is to provide a clear blueprint for improving the physical, economic and social facets of High Point's central core area: it reflects the collective vision of the community. With adoption of the Plan, other City policies will be adapted for consistency with the plan including zoning, development regulations, and capital improvement projects. In addition to the main focus on the Core City, this project also forged a community-wide vision as a framework into which the Core City Plan and other future plan can fit. As the City moves toward implementation of the Core City Plan, CD&H will continue to re-evaluate its progress and practices to ensure the Department is aligned with Council priorities as articulated in the Plan. The Department will utilize the Plan for guidance on its development, redevelopment and revitalization activities in the City's core area. The Core City area is defined as "downtown and the surrounding neighborhoods, commercial/industrial areas and gateway corridors," illustrated to the left.

A key objective of the Core City Plan is to stabilize and strengthen Core City's neighborhoods by minimizing existing negative conditions while reinforcing positive qualities. The Plan goes further to identify specific improvements in our targeted Core City area. The neighborhoods most commonly have one or more of the following characteristics:

- Natural or man-made boundaries
- Legal subdivision
- Shared development patterns
- Common economic conditions

A common theme expressed throughout neighborhood discussions was that the City largely represented a more post-war suburban feel with houses set back and larger front yards. Most homes were constructed over 50 years ago and are now aging, which represents a great need in the Core City environment. Because of this need, the Core City Plan makes a common recommendation throughout: rehabilitate existing homes, and develop appropriate infill housing on vacant parcels. The Core City Plan lays out specific challenges and recommendations for each affected neighborhood. CD&H programs focus on target areas in the heart of Core City.

Due to the concentration of low-to-moderate income households in the heart of Core City, CD&H has historically targeted neighborhoods in that area. Current targeted neighborhoods are Washington Drive, East Central, Macedonia, Southside and West End, all of which contain the traditional urban land uses of residential, commercial and industrial. Significant residential uses exist in the Washington Drive, East Central and West End sub-neighborhoods. Commercial uses straddle Main Street and the area's historical business corridor. Industrial uses, primarily textile and furniture manufacturing plants, are sprinkled throughout with concentrations in Southside and Macedonia. Violent crime has historically been pervasive but significant impact has been made by the police department's Focused Deterrent Initiative in Southside, West End, East Central and Washington Drive. Targeted areas have a large number of vacant lots and boarded up houses that are a blighting influence. In recent years the City has made a concerted effort to demolish substandard houses that blight Core City neighborhoods.

In an effort to facilitate the construction of infill housing in the Core City, the Department of Planning and Development and the Community Development & Housing Department co-sponsored a text amendment to the City of High Point's development ordinance which establishes a new zoning category known as RS-5, Residential Single Family District. This zoning category is primarily intended to accommodate high-density single family detached dwellings in the Core City where public water and sewer service is required. Overall gross density in RS-5 will typically be 7.0 units per acre or less. This category allows for the construction of homes on lots as small as 5,000 square feet. Utilization of the RS-5 category will require Council approval to rezone all affected properties. The text amendment was unanimously recommended to Council and approved at its regularly scheduled meeting on March 3, 2008. The first application of the RS-5 zoning was in the Southside community.

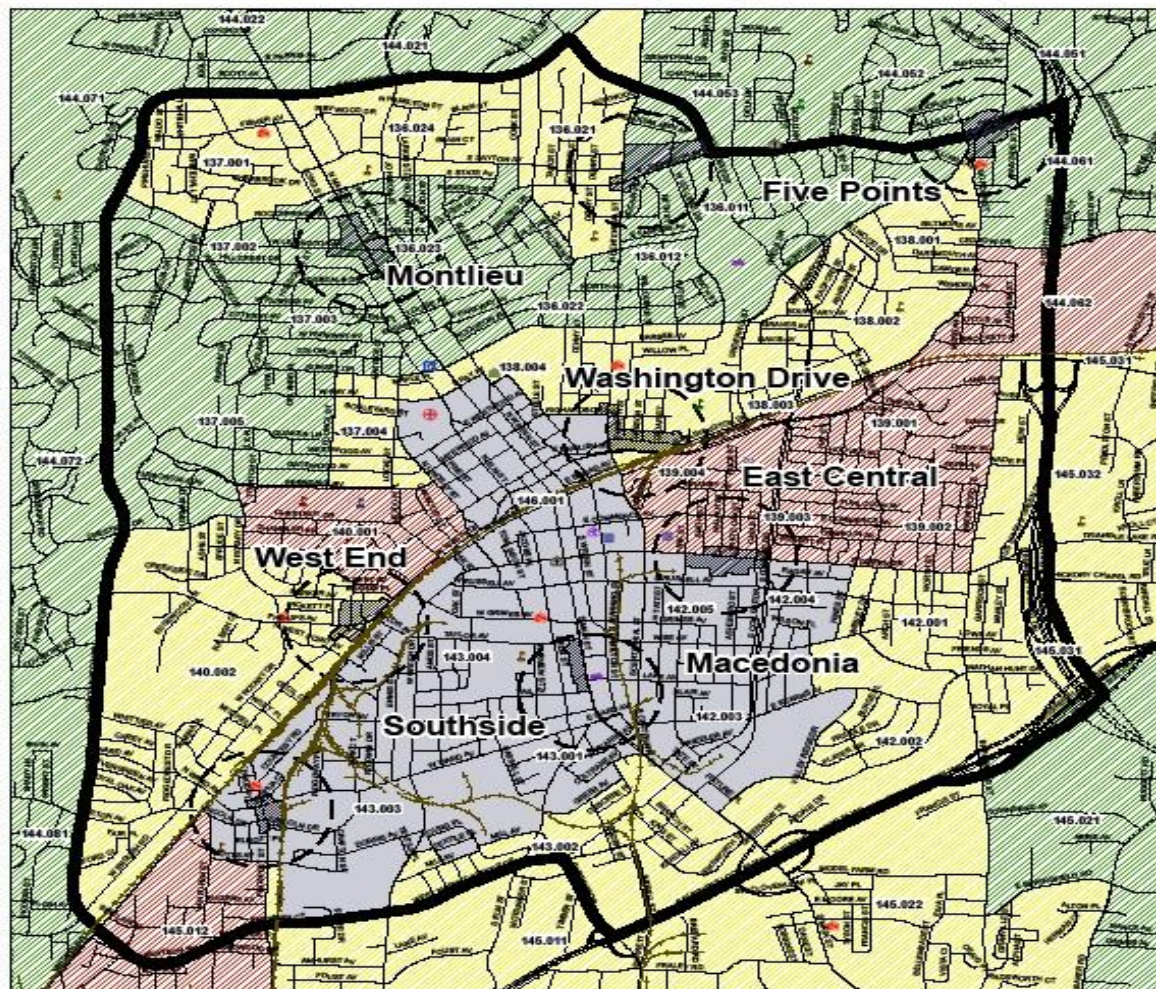
G. Neighborhood Revitalization Strategy Area (NRSA)

The extreme concentration of low-to-moderate income families in the heart of the Core City qualified High Point to obtain Neighborhood Revitalization Strategy Area (NRSA) designations for specific construction projects. This designation is possible due to HUD's desire to create communities of opportunity in distressed neighborhoods. Entitlement communities such as High Point may define a NRSA that meets the threshold for low/moderate income residents and is primarily residential. Within the NRSA the City receives much greater flexibility in the use of CDBG funds to stimulate the reinvestment of human and economic capital by economically empowering low-income residents. In order to enhance the impact of its community development programs in Core City neighborhoods, the Department has submitted an application seeding NRSA designation from HUD in specific Core City areas. The area submitted to HUD for NRSA approval is shown in grey on the map on the following page.

Continuing decline, widespread disinvestment in many communities, and the spillover effects in surround areas all point to the need for a different approach to rebuilding communities. HUD specifies that at least 70% of households in the NRSA must have low-to-moderate incomes, or LMI. The map on the next page depicts LMI household percentages in High Point by census block groups.⁶ Block groups in red have LMI percentages in excess of 70%; yellow areas have LMI percentages of 50-70%; green areas have LMI percentages of less than 50%. Clearly, the greatest concentration of LMI households is in the heart of the Core City. The NRSA designation will be used to enhance revitalization projects in the Macedonia and Southside communities.

⁶ A census block group is a subdivision of a census tract, and is the smallest geographic unit for which the Census Bureau tabulates 100% data. Many blocks correspond to individual city blocks bounded by street but blocks, especially in rural areas, may include many square miles and may have non-street boundaries.

Low / Moderate Percentages by Block Group



Legend



The purple/grey areas shown on this map show the boundaries of the NRSA in the City of High Point.

H. Income Guidelines

HUD is required by law to set income limits in determining eligibility of applicants for assisted housing programs which use HUD funds. The income guidelines provided to High Point reflect incomes for the Greensboro-High Point Metropolitan Statistical Area (MSA).⁷ The table below contains 2010 income limits with breakdowns by family size and income categories for High Point. These guidelines form the basis of eligibility criteria for the City's CDBG and HOME- funded projects. According to the 2005-2010 Consolidated Plan, High Point families with incomes at or below 30% of the area median income are at the greatest risk for housing problems.

| 2013 Income Levels (Source: HUD) | | | | |
|----------------------------------|----------------------|-----------------|------------|--------------------|
| | Extremely Low Income | Very Low Income | Low Income | Area Median Income |
| Persons in Household | 30% Median | 50% Median | 80% Median | 100% Median |
| 1 | \$11,450 | \$19,100 | \$30,550 | \$38,150 |
| 2 | \$13,100 | \$21,800 | \$34,900 | \$43,600 |
| 3 | \$14,750 | \$24,550 | \$39,250 | \$49,050 |
| 4 | \$16,350 | \$27,250 | \$43,600 | \$54,500 |
| 5 | \$17,700 | \$29,450 | \$47,100 | \$58,850 |
| 6 | \$19,000 | \$31,650 | \$50,600 | \$63,200 |
| 7 | \$20,300 | \$33,800 | \$54,100 | \$67,600 |
| 8 | \$21,600 | \$36,000 | \$57,600 | \$71,950 |

These families also have the greatest risk of exposure to lead-based paint hazards. The 2013 Median Family income in High Point is \$54,500. Census median family income (MFI) estimates are updated with county-level Bureau of Labor Statistics earnings data and Census American Community Survey (ACS) state-level MFI estimates or ACS local area MFI estimates. Separate HUD MFI estimates are calculated for all MSAs and nonmetropolitan counties. HUD uses the Section 8 program's Fair Market Rent (FMR) area definitions in developing median family income estimates for a given area. HUD income limits are calculated for every FMR area with adjustments for family size and for areas with unusually high or low income-to-housing cost relationships. HUD sets income limits to determine eligibility for each Entitlement's programs and services. FY 2010-2011 MFI estimates are based on data generated by the census for that community, and are updated annually.

⁷ The US Office of Management and Budget designates MSAs according to published standards that are applied to Census Bureau data. The general concept of MSAs is that of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core

I. Fair Market Rents and Affordable Housing

Fair market rents are set annually by HUD to identify the amount needed to rent modest housing in an area⁸. They are affordability indicators of the general housing market for an area. One way to evaluate rental-housing costs is to compare the Housing Wage⁹ to the estimated mean rental wages¹⁰. According to the National Low Income Housing Coalition, the Fair Market Rent (FMR) for a two bedroom apartment is \$709. In order to afford this level of rent and utilities---without paying more than 30% of income on housing---a household must earn \$2,363 monthly or \$28,351 annually. Assuming a 40-hours work week, 52 weeks per year, this level of income translates into a housing wage of \$13.63/hour¹¹.

The minimum wage in North Carolina is \$7.25. To afford the FMR for a two bedroom apartment, at minimum wage a worker must work 75 house per week, 52 weeks per year. Or a household must include 1.9 minimum wage earners working 40 hours per week year-round to be able to afford an apartment at Fair Market Rent rates. In North Carolina the estimated mean or average wage for a renter is \$12.11. In order to afford the FMR for a two bedroom apartment at the wage, a renter must work 45 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.1 workers earning the mean renter wage in order to make the two bedroom FMR affordable.

Lower income families in High Point have great difficulty securing affordable housing and are driven toward older neighborhoods where housing stock is often not well maintained. Housing quality and affordability are intertwined, with one factor often forcing the acceptance of undesirable levels of the other. Low-income families who are unable to afford market rate rents are also unable to access Section 8 vouchers and often find themselves with housing cost burdens that force choices between paying the rent, paying the utilities, buying food, or paying for health needs/expenses. Often the poor opt to cut back on medicine, resulting in decreased quality of life and ultimately higher health care costs for them and the community at large, eventually. The inability to pay market rate forces low income families to seek lower cost and lower quality housing in older homes of Core City neighborhoods. Since Core City neighborhoods have the greatest concentration of older housing and consequently the greatest threat of lead poison contamination, a vicious cycle is put in motion which forces low income families to accept low quality housing which is all they can afford, exposing them to hazardous living conditions.

2013 Fair Market Rents (source: Federal Register)

| Efficiency | 1 bedroom | 2 bedroom | 3 bedroom | 4 bedroom |
|--------------|-----------|-----------|-----------|-----------|
| \$516 | \$591 | \$701 | \$953 | \$1,075 |

⁸ It also establishes the maximum rent that could be provided for Section 8 recipients.

⁹ A "housing wage" is a term used to describe the average hourly wage needed to rent a two-bedroom dwelling at fair market rent.

¹⁰ Estimated mean renter wage is based on Bureau of Labor Statistics data and adjusted using the ratio of renter to total household income reported in the 2000 census.

¹¹ The hourly wage needed to afford (at no more than 30% of gross income) a 2-bedroom apartment at Fair Market Rent.

III. Affordable Housing Activities

According to the City's 2010-14 Consolidated Plan, a large percentage of extremely low-income and very low-income households in High Point experience one or more housing problems. Households with housing problems are those households occupying units without a complete kitchen or bathroom, that contain more than one person per room, or that pay more than 30 percent of their income to cover housing expenses. More than one-quarter of all households in our community (at any income level) experience a housing problem, and over one-quarter experience a cost burden of 30 percent or more. Many very low-income and extremely low-income individuals experience severe cost burdens. More than ten percent of all households in High Point experience a cost burden of 50 percent or more, while more than one-half of all extremely low-income households fall into this category. The availability of affordable housing is a local as well as national issue.

Many low-income families in High Point are faced with multiple undesirable choices when seeking housing. They must choose between paying more than they can afford, living in substandard housing, or living in overcrowded housing. These choices have corresponding negative impact in their quality of life. The scarcity of affordable housing in our community is reflected in the extreme concentration of low-income families in older areas of the Core City. Unfortunately, public health records indicate these areas also have the greatest risk for lead based paint hazards and other unhealthy conditions (e.g., asbestos contamination). In response to housing needs identified in the Consolidated Plan, Community Development & Housing's affordable housing strategies are focused in three areas (programs in response to these areas are given below each area):

- ❖ Increasing the supply of safe, sanitary and decent affordable housing (single family and multifamily housing development)
 - Infill development through partnership with non-profit developers (CHDOs)
 - Partnership with multifamily housing developers in support of LIHTC projects (e.g., Admiral Pointe)
 - Neighborhood Stabilization Program (NSP)
- ❖ Improving the condition of the existing low income housing stock (housing rehabilitation)
 - Lead Hazard Control
 - Southside Revitalization
 - Emergency Repair (associated with Lead Hazard Control)
- ❖ Improving the accessibility to affordable housing (homebuyer education and down payment assistance)
 - Homebuyer Education
 - Down Payment Assistance
 - Individual Development Accounts

A. Community Housing Development Organization (CHDO) Activities



| | |
|------------------------------|--|
| Budget: | \$447,436 |
| Activity: | Construction of Affordable Housing |
| Source: | HOME Investment Partnerships Program |
| National Objective: | Affordable Housing |
| Eligibility Citation: | 24 CFR Part 92.300 |
| Goal: | Provide affordable homeownership opportunities |
| Objective: | Providing Affordable Housing (12 homes) |
| Outcome: | Affordability |
| Performance Measures: | 12 affordable homes |

Community Housing Development Organizations (CHDO) are nonprofit organizations whose purpose is to provide decent and affordable housing for low to moderate-income persons. The City is required to set aside fifteen percent of its HOME funds for CHDO activities.

Currently the City has three certified CHDOs: Triad Economic Development Corporation (Triad); Habitat for Humanity of High Point, Trinity and Archdale (Habitat); and Unity Builders, Inc. Triad has constructed and sold two homes on Windley Street and provides homebuyer education and financial literacy training to low-moderate-income citizens of High Point. Habitat has been contracted to build (17) seventeen single family homes in the 1700 block of Graves Avenue, an area directly adjacent to Washington Terrace Park. Habitat has constructed and sold 12 homes on Graves Avenue area with an additional 6 underway. CD&H has contracted with Unity Builders, Inc. to construct 18 single family homes in Southside. Unity Builders has constructed and sold 7 single family homes in Southside and has 4 under construction.

B. Emergency Repair Program



| | |
|------------------------------|--|
| Budget: | \$179,925 |
| Activity: | Rehabilitation |
| Source: | CDBG |
| National Objective: | Low and Moderate Income Housing |
| Eligibility Citation: | 24 CFR Part 570.202 (a) (1) |
| Goal: | To provide emergency housing rehabilitation services to 15 LMI homeowners; improve quality of existing LMI housing stock; acquire dilapidated housing for repair and/or demolition; mitigate blighting influences and lead-based paint hazards |
| Objective: | Provide Decent Housing |
| Outcome: | Affordability |
| Performance Measures: | 15 emergency repairs |

Rehabilitation of the City's aging housing stock is geared towards ensuring the continued livability and viability of High Point's limited affordable housing units. Due to continued scarcity of resources, the City has committed its emergency repair funds as a match for its Lead Hazard Control grant. Consequently, all emergency repairs are performed in conjunction with a lead remediation project. The Emergency Repair Program is designed to provide quick action to homeowners experiencing a system failure that may endanger health such as heating systems failure in the winter. Emergency repairs typically completed include the following:

Roofing: Roofing repairs made in a timely manner can prevent further loss from damage to the structure, reduce the incidence of childhood lead poisoning and improve indoor air quality by eliminating moisture intrusion into the living spaces.

HVAC: Heating, air-conditioning and ventilation repairs done in a timely manner can prevent loss of life (due to hypothermia), improve indoor air quality, measurably increase the efficiency of outdated equipment, reduce the burden of high utility bills and ensure a greater degree of affordability for strapped homeowners.

Electrical: Electrical service upgrades to distribution panels and new wiring when necessary improve safety and allow for additional load to be added when replacing and modernizing HVAC systems.

Plumbing/Sewer: Hot water heating failures are addressed to meet minimum housing requirements. Additional plumbing modifications and repairs are sometimes needed to repair broken water and sewer lines.

Collapsing floor systems: Structural (framing) problems incurred primarily as a result of plumbing failures can have repair costs beyond many homeowners' resources. If it is determined that substantial failure is imminent, repairs will be undertaken.

Since CDBG funds are scarce, the Department closely monitors clients' income and asset eligibility criteria to focus resources on the lowest income groups. The City will continue to act as the owner's representative to ensure repairs are performed properly and customer expectations met.

Project management services include:

- Intake and qualification of applicants
- Inspection and assessment of required repairs
- Preparation of the work write-up
- Manage bid-letting process
- Compliance with HUD and local regulations
- Supervision of work performed and contractor payment

C. Homebuyer Assistance



| | |
|------------------------------|---|
| Budget: | \$50,000 |
| Source: | HOME |
| National Objective: | Low & Moderate Income |
| Eligibility Citation: | 24 CFR 92.205 (a) (1) |
| Goal: | Assist low-to-moderate income families purchase homes |
| Objective: | Assist low-to-moderate income homebuyers purchase homes |
| Outcome: | Affordability |
| Performance Measures: | Number of homes purchased |

Homebuyer assistance is vital to the Department's goal of providing decent, safe, sanitary and affordable housing. The program provides down payment and closing cost assistance to homebuyers to reduce out of pocket costs in the form of a deferred low-interest rate loan. Homebuyer assistance is offered to buyers who purchase homes in the city limits of High Point. Traditionally, assistance is up to \$5,000 that can be used for closing costs and/or lowering of the down payment. The department offers additional incentives in the form of homebuyer assistance in Macedonia up to \$7,500 and assistance up to \$10,000 for targeted properties in the West End community. Down payment assistance in the amount of \$7,500 is also available for targeted properties in the Southside community currently under a development contract by the City. These assistance packages are designed to attract homebuyers to these neighborhoods.

Basic program requirements include:

- Completion of an 8-hour Homebuyer Education class offered by a HUD-approved Housing Counseling Agency sponsored by CD&H
- Obtaining a loan to purchase the house from a participating lender
- Meeting income eligibility requirements established for the program
- Purchasing a home within the city limits of High Point
- Post-purchase counseling consisting of two 2-hour individual counseling sessions within the first 12 months of ownership and
- A minimum cash investment of \$500 toward the home purchase

Homebuyers meeting these basic program requirements are assisted during the homebuyer process by various professionals who demonstrate an interest in ensuring first time homebuyers receive decent, safe, sanitary and affordable housing.

HUD defines "affordable" as housing that costs no more than 30 percent of a monthly household income. Thus, a worker who earns the current minimum wage of \$7.25 per hour should pay no more than \$377.00 per month for rent and basic utilities, an amount that does not cover the rent on a sanitary and decent one-bedroom apartment in any county in America. According to the North Carolina Housing Coalition a worker needs a housing wage \$13.63 per hour or \$2,363 a month to afford a two-bedroom apartment in North Carolina¹². Increased home prices and rents have

¹² The hourly wage needed to afford, at no more than 30% of gross income, a 2-bedroom apartment at Fair Market Rent.

pushed the dream of home ownership out of reach for many of the city's working poor. Our programs are designed for the worker, able to afford the monthly rent, but who cannot raise the down payment or closing costs required. This barrier to entry is where the City's programs lend aid to access affordable housing. As the economy improves, we anticipate increased demand for homebuyer assistance.

In accordance with the guidance provided in HUD's January, 2009 HOMEfires Vol. 10 No. 1 (which supersedes HOMEfires Vol. 9, No. 3) participating jurisdictions are authorized to use either the Section 203 (b) mortgage limits established as of February, 2008 or the actual 95 percent of median sales price limits for their areas, whichever is higher. The City of High Point has elected to use the Section 203 (b) mortgage limit as the maximum (\$200,160). Loans are secured by a promissory note and deed of trust that outlines recapture provisions in accordance with 24 CFR Part 92.254. Liens coinciding with the loan terms are placed on all properties

Homebuyer Education

*Realizing the Dream*¹³ education workshops are being offered monthly at rotating locations throughout High Point to assist future first time homebuyers with the home purchasing process. Locations include the Macedonia Family Resource Center, Roy B. Culler Jr. Senior Center, Southside Recreation Center, Morehead Recreation Center, Oakview Recreation Center, Greater First United Baptist Church, Allen Jay Recreation Center and the Community & Neighborhood Development Center.

A HUD-approved housing counseling agency will partner with the City of High Point to offer this valuable training. The classes are eight hours in length, free to the public and all participants receive a certificate when completed. The classes comprehensively cover the home purchasing process. Topics covered include a homeownership overview, financing a home, budgeting, saving and credit counseling, working with a real estate professional, predatory lending, fair housing and foreclosure prevention.

Lender Participation

In order to purchase a house, an applicant must be able to obtain a loan. CD&H is committed to ensure low to moderate-income applicants receive quality loan products and has partnered with the local lending community to help homebuyers obtain an affordable first mortgage. In order to prevent home buyers from being victimized by predatory lenders, the department conducts a free lender certification workshop for mortgage lenders who are interested in working with low income, first time homebuyers. The mortgage lender must complete the workshop in order to become a Participating Lender for the Homebuyer Assistance Program. These workshops equip lenders with the information and forms necessary to submit a complete package for underwriting. A Participating Lender is a lending institution that cooperates with CD&H in the Homebuyer Assistance Program.

Participating lenders must meet the following criteria:

- Offer confirming loans with 1% or less origination fee;
- Charge no brokers fees or costs for providing the loan or other associated charges;
- CLTV not to exceed 100% of the value of the house;
- Maximum loan amount cannot exceed FHA Mortgage limit;

¹³ The HUD-approved curriculum, *Realizing the American Dream Trainer's Manual*, 4th Edition and its complementing *Homebuyer's Manual* are the definitive resources for homebuyer training and education. Updated in late 2009, both manuals are available in English, Spanish, Mandarin Chinese and Vietnamese. Developed by industry experts, the manuals cover the entire homeownership process and are organized in 6 modules presented in a format that de-mystifies the complexities of home buying. New features in the 4th edition include more photos and graphics with many useful "green" tips and the latest information on changes in credit and mortgage financing. Also included are valuated teaching tools, participatory activities, worksheets and a CD PowerPoint presentation for each module.

- Offer market interest rate
- Inform, educate, and facilitate the application process; and
- Ensure applicant's income eligibility.

Certification is granted to the individual loan officer attending the lender certification workshop. Currently there are thirty-one individual mortgage loan officers from twelve lending institutions certified to facilitate and submit a package for the down payment and closing costs assistance program on behalf of an eligible first time homebuyer. These certifications provide a common groundwork to help streamline the application process¹⁴ and ensure the access of low to moderate-income families to affordable mortgage products. Participating lenders agree to refrain from predatory lending practices in accordance with guidelines established by the Community Reinvestment Association of North Carolina (CRA-NC)¹⁵. The Community Development & Housing website maintains a list of local real estate agents who receive training and dedicate their time and effort to assisting low-to-moderate income first-time homebuyers obtain fair, decent and affordable housing.

¹⁴ Since participating lenders agree to submit down payment and closing costs assistance packages to the Department, prospective homebuyers will only have to fill out one application for approval.

¹⁵ The Community Reinvestment Association of North Carolina's mission is to promote and protect community wealth. They advocate for change in the lending practices of financial institutions to promote wealth building for underserved communities and to end predatory lending practices that strip wealth.

D. Infill Housing



| | |
|------------------------------|---|
| Budget: | \$55,000 |
| Activity: | Acquisition and new construction |
| Source: | HOME Investment Partnerships Program |
| National Objective: | Affordable Housing |
| Eligibility Citation: | 24 CFR 92.205 (a)(1) |
| Goal: | Encourage Core City housing development to mitigate blight for improved quality of life |
| Objective: | To promote the construction of new units of affordable housing |
| Outcome: | Affordability |
| Performance Measures: | 2 properties |

The Infill housing program has been reconfigured to focus on acquiring strategically located properties and preparing them for redevelopment by affordable housing producers. CD&H previously focused on acquiring property in Southside & Graves Avenue areas for the development of affordable housing by CHDOs. However, the City will expand its focus to acquire properties in the vicinity of Park Terrace to facilitate redevelopment by the High Point Housing Authority. As HOME funds cannot be used to assist the Housing Authority, the City will utilize general fund resources for property acquisition.

E. Southside Revitalization Plan



| | |
|------------------------------|--|
| Budget: | \$146,650 |
| Source: | HOME |
| Activity: | Affordable Housing Infrastructure |
| National Objective: | Affordable Housing |
| Eligibility Citation: | 24 CFR 92.205(a) (1) |
| Goal: | Implement Phase I of the Southside Revitalization Plan through units of affordable housing |
| Objective: | Provide decent housing; suitable living environment |
| Outcome: | Affordability |
| Performance Measures: | 4 new units of affordable housing |

Like so many inner-city neighborhoods across the country, Southside began to decline after World War II when suburban development was the main focus. Southside has transitioned significantly in the last couple of decades from a flourishing, vibrant, and diverse neighborhood to one with acute socio-economic problems. Issues identified in Southside by residents, businesses, property owners, and community groups are:

1. Old, dilapidated buildings next to residential buildings
2. Abandoned and boarded-up houses
3. Lack of sidewalks and other pedestrian amenities
4. Inadequate recreational facilities
5. High crime rate

To address identified issues, the Department commissioned Neighboring Concepts to study the area in the summer of 2004 to provide a guide for development and redevelopment in the Community, providing a framework to guide future public and private sector decision-making towards long-term objectives. The Southside Revitalization Plan was completed and submitted to the neighborhood association for review and was included in the Core City Plan and approved by Council in February 2007. The Southside Revitalization Plan can be found at www.highpointnc.gov/cd/docs/SSrevitalizationPlans.pdf. Since the beginning of the construction of Phase 1 of the Southside Redevelopment Project, Unity Builders has completed and sold 7 homes to income eligible first-time homebuyers and currently has 4 under construction. As CD&H prepares for Phase 2, we will continue to focus on acquisition of land and demolition of dilapidated housing near the development site. CD&H will look to acquire properties on George Place, Vail Avenue, and Mobile Street in order to broaden the construction area.

IV. Community and Neighborhood Development Activities

A. Community Capacity-Building Programs



| | |
|-------------------------------|--|
| Budget: | \$229,038 |
| Activity: | Community capacity-building |
| Source: | CDBG |
| National Objective: | Low-to-moderate Income Area |
| Eligibility Citation: | 570.201 (o)(p) |
| Goal: | To facilitate capacity-building activities for community-based organizations |
| Objective: | To conduct twelve capacity building activities by June 30, 2013 (Suitable Living Environment) |
| Projected Outcome: | Sustainability |
| Public Service Access: | Improved |
| Performance Measures: | Projected Census Tracts to be served: 136.01, 136.02, 138, 139, 140, 142, 143, 144.06, 144.08, 145.01, 145.02, 145.03, 146 |

The Community and Neighborhood Development Center (CNDD) is located at 201 Fourth Street. The facility contains a 12-station computer center; two conference rooms; staff offices; a greeting area; and kitchen facilities. CNDD is charged with developing and implementing the Department's non-housing strategies to implement community capacity development activities that promote stronger neighborhoods. The Division will continue to focus on community-building activities such as leadership development, youth development, basic skill training and homelessness. Special emphasis will be placed on leader and youth development. The Division partners with various organizations to enhance services to low/mod neighborhoods, homeless individuals and coordinates community programs.

CNDD activities include providing neighborhood capacity building opportunities; helping residents acquire needed skills; enhancing public services; providing resource coordination; assisting in homelessness reduction activities; and assisting residents in preparing yearly income taxes.

The Division will continue to be responsible for managing CDBG funds (public service grants), the Shelter Plus Care Program funds for chronic homeless individuals and Supervised Visitation Program for Women of Domestic Violence. The CNDD budget includes program delivery costs necessary to implement community and neighborhood development activities. The computer lab will continue to provide computer service for public use. The computers are also used in the Volunteer Income Tax Assistance (VITA) program. CNDD will continue to partner with Guilford Technical Community College to provide GED classes to individuals who have not completed their high school degree. Capacity-building and technical support for neighborhood associations still remains one of the most important services provided by CNDD. CNDD supports the Neighborhood Leaders Council which consist of ten neighborhoods will continue to allow them to discuss issues of concern related to each

neighborhood and the city as a whole. Members learn about local government, address crime issues in their areas, create strategies for youth development, organize around citywide issues and develop a plan of action as a group. The Neighborhood Leader's Council will focus on Youth Development, Board up Houses, Neighborhood Clean ups and recruiting new members in their association

CNDD continues to streamline operations. The division will continue to focus on strengthening neighborhoods and transferring SPC program to Housing Authority. This will allow the SPC clients the opportunities for permanent housing. Coordinating multiple programs from HUD at one location allows the Division to optimize effectiveness to the benefit of low to moderate-income neighborhoods. The Division is responsible for providing technical and analytical support to the Citizen's Advisory Council as well as the Neighborhood Leader's Council. This year the Division is looking to add two additional neighborhood associations to the existing ten.

B. Neighborhood Associations:

Burns Hill Neighborhood Association

The Burns Hill Neighborhood Association continues to be actively involved in issues of crime, planned neighborhood activities, increasing membership, neighborhood beautification and youth development. Plans for the year is to prioritize monthly events,

Burns Hill Neighborhood Association will focus on these activities:

- Removing Blight
- Great American Cleanup in the Spring
- Community Commitment Award Dinner
- Yard of the Month Award
- Back-To-School celebration for the youths, providing free school supplies
- National Night Out participation
- Clean Sweep America Fall Cleanup
- Safe and Secure: Report Thefts



Cedrow Neighborhood Association

Residents of the Cedrow Neighborhood are continually involved in neighborhood issues and activities. The Association participates in numerous events held in their community.

- Home Fire and Safety Prevention
- Community Block party
- Participate in the Washington Street Easter parade
- National Night Out Activities---won a national award
- Seniors in the Community Thanksgiving Dinner
- Community Luminaries
- Christmas Parade



Five Points Neighborhood Association

The Five Points Neighborhood Association has many goals for the coming year. These goals include:

- Recruiting new members, residents and businesses
- Solidify meeting location
- Hold a pecan sale, and a yard sale to raise funds
- Participate in National Night Out
- Be involved in planning of Daniel Brooks/High Point Housing Authority project
- Forge partnerships with community members and businesses interested in helping the community

Highland Mills Neighborhood Association

Highland Mills Neighborhood Association will continue to increase awareness of community and city issues. Their plans for this year include:

- Organizing a community garden
- Partnering the High Point Police Department to address crime issues
- Continuing to beautify and clean up the neighborhood
- Creating a safe place for children to play in the neighborhood

Macedonia Neighborhood Watch

The Macedonia Neighborhood Association will focus on increasing membership, allowing the Association to form committees to work on issues and concerns. CNDD staff will continue to assist with this process. The Association will continue involvement with the Macedonia baseball league designed to offer a high quality sports league for a very low participation fee. Association members volunteer time at the park working the concession stand as well as cleaning up after each game. The Macedonia Family Resource Center will continue to provide daily programs to address needs of those living in the area. Programs will include:

- Food pantry
- Free computer classes
- GED classes
- Technology Access Point allowing residents to access the main library database to reserve books and have them delivered to the Center
- Youth-centered programs and activities
- English as second language classes
- VITA (Volunteer Income Tax Assistance) site

Oakview Neighborhood Watch

Oakview's overall goal is to continue to get community members involved in their neighborhood and increase awareness of issues concerning the community. More specific goals include:

- Increasing membership
- National Night Out
- Fundraising
- Continued partnership with Police Department to mitigate crime
- Increased involvement from City Council representative and other public officials

Pershing Street Neighborhood Watch

The Pershing Street Neighborhood Watch continues to focus on crime and safety issues in the Pershing Street area of High Point. The residents are actively involved in eliminating negative elements that affect the quality of life in the community. Members of the Neighborhood Watch are scheduled to participate in a Door Knocking campaign to include Community & Neighborhood Development staff and Neighborhood Leaders. The intent is to increase membership and to make residents aware of the Pershing Street Neighborhood Watch activities.

Scheduled activities include:

- Invite encouraging & motivational speakers to Association meetings
- Door knocking campaign
- National Night Activities
- Neighborhood Watch Christmas dinner

Southside Neighborhood Association

The Southside Neighborhood Association is excited about scheduling another successful year with the Neighborhood Community Garden that serves residents of the community throughout the summer and fall months with a surplus of healthy fruits and vegetables. Family Service of the Piedmont will again work with the Southside Neighborhood Association, Fairview Street School, Boys & Girls Club, High Point Parks & Recreation and residents of Southside Neighborhood to celebrate National Family Night. The goals of the Association are to include resident participation of activities and scheduled events within the community.

Southside scheduled events for the upcoming year include:

- Neighborhood garden planting
- Door knocking to increase membership
- Neighborhood spring clean-up
- National Night Out Activities
- Partner with Family Service of the Piedmont for National Family Night

West End Neighborhood Association

The West End Neighborhood Association and West End Ministries will try to help people who live and work in West End to make the community the best it can be.

Scheduled activities and goals include:

- Increased involvement and recruitment of community members
- National Night Out
- VITA (Volunteer Income Tax Assistance) site: free tax preparation
- Youth-centered programs and activities
- Community projects for area residents
- Hold elections
- Continue to increase safety and awareness, especially for our elderly and youth



Washington Street Neighborhood Association

The Washington Street Neighborhood Association plans include seeking new officers for the upcoming year. It also incurs upcoming events that will include a substantial increase of resident participations to become more visible within the community. Area events will also be scheduled to increase resident participation and to become more active and visible within the community. The Association will work diligently with local

businesses, the City of High Point Police Department, Community & Neighborhood Development Division, and area Churches to assist in eliminating crime, drugs and theft amongst residents of the Washington Street Neighborhood. In addition, several new businesses and a local church have assumed residence within the Washington Street community.

Washington Street Neighborhood Association will focus on the following activities:

- Spring Neighborhood cleanup
- Neighborhood garden
- Fresh vegetable stand
- Children's theater/activities
- National Night Out
- Fall neighborhood cleanup
- Washington Street Fall Festival



Highland Mills Neighborhood Association

Highland Mills Neighborhood Association will continue to increase awareness of things that are happening in their community and the City.

Plans for this year include:

- Organizing a community garden
- Partnering the High Point Police Department to address crime issues
- Continuing to beautify and clean up the neighborhood
- Creating a safe place for children to play in the neighborhood

C. Public Service Grants

The City of High Point annually sets aside a portion of its Community Development Block Grant entitlement to fund public service activities provided by local community based organizations and non-profits for the benefit of low to moderate-income residents. Eligible activities include labor, supplies and materials, employment, crime prevention, child-care; health; drug abuse; education; fair housing counseling; and energy conservation. The funds are allocated through a competitive process and the Citizens Advisory Council (CAC) reviews all applications and makes recommendations to the City Council. A total of eighteen applications were submitted for funding.

| | |
|------------------------------|--|
| Budget | \$30,000 |
| Activity | CDBG Public Service Subrecipient |
| Source | CDBG |
| National Objective | Low to moderate income clientele |
| Eligibility Citation | 570.201(e); 570.208(a)(1) 570.208(a)(2) |
| Goal | Provide public services benefitting low-to-mod income residents |
| Objectives | Suitable Living Environment |
| Outcome | Sustainability |
| Public Service Access | Improved |
| Performance Measures | Projected Census Tracts to be served: 136.01, 136.02, 138, 139, 140, 142, 143, 144.06, 144.08, 145.01, 145.02, 145.03, 146 |



Family Service of the Piedmont

Budget \$3,000



Green Street Baptist Church

Budget \$4,950

Helping Hands



Helping Hands Ministry

Budget \$6,000



Mary's House, Inc.

Budget \$2,250



Reading Connections, Inc.

Budget \$4,500



Salvation Army of High Point

Budget \$6,000



YWCA of High Point

Budget \$12,500

Boys & Girls Clubs of High Point

Budget 4,000

Caring Services, Inc.

Budget \$7,500

Carl Chavis YMCA

Budget \$5,000

Communities in Schools

Budget: \$3,700

Family Promise of Greater Guilford

Budget 4,000

High Point HEAT Track & Field Club

Budget \$4,455

High Point Housing Authority

Budget \$5,000

High Point Swim Club

Budget \$2,900

Piedmont Health Service & Sickle Cell Agency

Budget \$3,100

Southwest Renewal Foundation of High Point

Budget \$3,500

West End Ministries

Budget \$3,000

D. Reducing Homelessness

Partners Ending Homelessness (www.partnersendinghomelessness.org.)

Mission: Partners Ending Homelessness works to encourage public understanding of the causes and conditions of homelessness and lead a strong and stable system of care for individuals and families to reduce homelessness in Guilford County.

Strategy: Partners Ending Homelessness focuses on generating housing, strengthening prevention and supportive service efforts, and increasing coordination, collaboration and access through the continuum of care in our community.

Partners Ending Homelessness seeks to:

- Engage existing and new partners to unite the voice of stakeholders and achieve a shared vision of ending homelessness
- Develop greater visibility and support of the efforts of Partners Ending Homelessness to end homelessness
- Advocate for strong policies that address the root causes of homelessness and initiatives that strengthen our current system of care
- Provide technical assistance and training to homeless service delivery agencies
- Develop and implement strategies and best practices to end homelessness, inclusive of Guilford County's 10-Year Plan to End Chronic Homelessness and the five objectives identified by the US Department of Housing and Urban Development
- Consolidate efforts to increase resources for ending homelessness in Guilford County ensuring that all areas of needs are being addressed
- Evaluate efforts towards ending homelessness overseeing the collection, use, and security of data to determine the effectiveness of outcomes and make adjustments in strategies to improve outcomes

Beginnings: Under the direction of the United States Interagency Council on Homelessness and the non-profit National Alliance to End Homelessness, many communities across the nation were having success in reducing homelessness by developing and implementing a business plan approach with strategies, benchmarks, and budgets. Guilford County became the 210th community nationwide to commit to develop a ten year plan to end homelessness. In February 2006, the Guilford County/High Point/Greensboro Task Force on Ending Homelessness was appointed by the Guilford County Commissioners, High Point City Council and the Greensboro City Council. The Guilford County Task Force to End Homelessness was a comprehensive and focused effort by the community *to improve the quality of life for all residents of Guilford County by ending chronic homelessness and reducing all types of homelessness by 2016*. An extensive plan, *Partnering to End Chronic Homelessness in Guilford County* developed by the task force, was unveiled to the community on June 4, 2007. The plan has two major objectives, Housing and Prevention and Supportive Services, directed around the housing first approach. In 2008, the *Partners Ending Homelessness* initiative began actively implementing, evaluating and updating Guilford County's Ten Year Plan to end chronic homelessness.

In August of 2009, recognizing that partnership is the best way to reduce and prevent homelessness, the *Homeless Prevention Coalition of Guilford County* and the *Partners Ending Homelessness* Initiative began exploring the possibility of a strategic alliance. After five months of researching national best practices, exploring Guilford County's needs, resources, and current efforts to address homelessness, a structured alliance task force comprised of members of both groups proposed the creation of a new non-profit, *Partners Ending Homelessness*, which would focus on ending homelessness and strengthening the system of care, ensuring a more effective approach to homelessness. *Partners*

Ending Homelessness would be the result of the consolidation of two groups: the Ten Year Plan to End Chronic Homelessness in Guilford County (the *Partners Ending Homelessness* Initiative) and the Guilford County Continuum of Care (the Homeless Prevention Coalition of Guilford County (already a 501c3 agency)). The strategic alliance was motivated by the desire to achieve one coordinated effort with one voice, increase advocacy and education about the issue of homelessness, consolidate efforts to increase resources for ending homelessness in Guilford County and improve the efficiency and accountability of services while providing administrative oversight of efforts to end homelessness.

Current Work: The organization is developing long-term solutions to help those living below “self-sufficiency” levels to get the additional education and skills to become self-sufficient, attain safe and secure housing, as well as helping service providers to further develop our homeless delivery system. Homelessness is a critical issue for communities across North Carolina and in Guilford County, the issue is a complex one, as homeless people are diverse and the factors that led them to become homeless are equally diverse and vary over time. No one sector or level of government can alone address the problem of homelessness in our community. Through strategic partnerships, Partners Ending Homelessness is tackling the issues that matter most in our community through:

- Increasing resources for affordable housing, permanent housing, prevention and supportive services
- Increasing awareness of homelessness issues among the general population and among leaders in business, government and philanthropy
- Creating stronger case management services to help households who are struggling financially to access resources in the community
- Improving access and awareness of services in Guilford County through increased coordination between mainstream support services and housing providers; fostering collaboration and creating new partnerships between service providers and expanding the coordinated portal of entry system
- Building provider capacity through training, education and technical assistance based on data and results-based best practices
- Increasing data collection and reporting capability through coordinating agencies into a seamless system for homeless consumers, easing access to housing and services and working towards full implementation of the Carolina Homeless Information Network (CHIN)
- Implementing action steps identified in the ten year plan
- It is essential that all groups pool their resources and coordinate efforts by strengthening existing partnerships and creating new ones.

V. General Program Administration

| | |
|------------------------------|------------------------------------|
| Budget: | \$202,591 |
| Activity: | Administration |
| Source: | HOME, CDBG and General Funds |
| National Objective: | N/A |
| Eligibility Citation: | 24 CFR 92.206, 570.200 (a) (3) (i) |

Administrative costs that are necessary for program planning and management of the CDBG and HOME programs are charged to program administration. The Community Development and Housing Department is responsible for ensuring program implementation in compliance with national objectives of both programs as well as adherence to state and local requirements. Reasonable administrative and planning costs include, but are not limited to:

- General management, oversight and coordination
- Salaries, wages and related costs of the participating jurisdiction's staff
- Monitoring progress and compliance with program requirements
- Preparing reports and other documents related for submission to HUD
- Coordination of audit and monitoring findings resolutions
- Evaluation of program results against stated objectives
- Travel costs incurred for official business in carrying out the program
- Administrative services performed under third party contracts or agreements
- Capacity building and training activities for staff and non-profits
- Fair housing and activities to affirmatively further fair housing

HUD regulations permit the City to use up to twenty percent of the CDBG grant and up to ten percent of its HOME grant for reasonable administrative and planning costs.

A. HOME Matching Requirements

Generally, jurisdictions participating in the HOME program are required to make contributions or match to housing that qualifies as affordable housing. During a fiscal year, match must total not less than 25 percent of the HOME funds drawn from the jurisdiction's HOME Investment Trust Fund Treasury account in that fiscal year for project costs, ***unless the participating jurisdiction has received a reduction in the match requirement, which was the case for High Point for October 2012-September 2013.*** The City appropriates funds required to match HOME project costs annually. When the City reimburses itself for eligible HOME expenditures, the City draws the sum of total expenditure minus required match so that the City's required HOME match is realized when funds are drawn from the Treasury.

B. Recapture Provisions

In accordance with the applicable homebuyer recapture/resale provision outlined in 24 CFR Part 92, the City of High Point has adopted the recapture provision for its HOME-assisted homeownership housing. Under the recapture option, the period of affordability is based upon the direct HOME subsidy to the homebuyer. The direct subsidy to the homebuyer is the amount of HOME assistance that enabled the homebuyer to buy the unit. The direct subsidy includes down payment, closing cost, interest subsidies, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price. The City uses HOME funds to provide down payment assistance and closing cost assistance to first-time homebuyers. The City requires the recapture of the direct HOME subsidy from net proceeds when there is a voluntary or involuntary sale of the property during the affordability period. Net proceeds are the funds remaining from the sale of the property by the original homebuyer less the repayment of the outstanding balance on any superior mortgage, sales commission, the original homebuyer's down-payment and the cost of any property improvements made by the original homebuyer. To the extent that net proceeds are available at closing, all or a portion of the HOME funds are due and payable. In the event of foreclosure, the Lender may not require the Borrower to repay an amount greater than the net proceeds available after the foreclosure sale.

Recaptured HOME funds by Community Housing Development Organizations (CHDO), on behalf of the City of High Point, are not considered to be CHDO proceeds but shall be used by the CHDO's to provide affordable housing for City of High Point. Not more than 10 percent of recaptured funds may be used for CHDO administration. Recaptured HOME funds provided by an agency other than a CHDO will be recaptured by the City of High Point to be used for eligible HOME activities in accordance with requirements of HOME statute and regulations in the same manner as program income. Not more than 10 percent of the recaptured funds may be used by the City for administrative or planning costs.

All homeowner assistance funds shall be provided as deferred or amortized loan as evidenced by a note secured by a deed of trust on the property. A declaration of deed restriction is executed indicating the entire amount of the loan shall be due and payable, if the homebuyer does not continue to occupy the property as their principal residence for the duration of the period of affordability ("recapture provision"). During the period of affordability, the homebuyer shall not be permitted to refinance the property without the approval of the City. The recapture provision shall be revoked if an ownership interest is terminated during the period of affordability by foreclosure, transfer in lieu of foreclosure, or assignment of a FHA-insured mortgage to HUD. If the owner thereafter obtained a redemptive interest in the property, the original affordability period resumes and continues until its term expires. The amount due to the City may also be forgiven to the extent allowed in the HOME regulations. The recapture provision ensures that each housing unit will remain affordable for a period of time determined by the schedule below, established in accordance with 24 CFR 92.254 (a) (4):

| Homeownership assistance HOME amount per-unit | Minimum period of affordability |
|---|---------------------------------|
| Less than \$15,000 | 5 years |
| \$15,000 - \$40,000 | 10 years |
| More than \$40,000 | 15 years |

Refinance: During the period of affordability, a homebuyer will not be permitted to refinance the property without the approval of the City of High Point. Generally, subordination will be discouraged unless the primary purpose of the loan is for housing repairs or bill consolidation.

C. Local Monitoring and Compliance

The City of High Point Community Development and Housing Department disburses its Community Development Block Grant (CDBG) and HOME funds in two ways:

1. Acquisition and rehabilitation projects and homeownership opportunities that expand the city's supply of affordable housing; and,
2. Awarding grants to sub-recipients to implement programs/provide services to low and moderate-income residents in Core City areas.

The Department determines the types of activities that can be funded, and the households or individuals who are eligible to receive these benefits. The Department has developed special procedures to ensure sub-recipients are in compliance with applicable regulations. All applicants are required to submit an application that is reviewed by staff.

Once funding is approved for a project, staff coordinates allocation of funds. Organizations and non-profits receiving funds must enter into a detailed performance contract with the City. It describes all federal laws and regulations, and defines reporting and project management responsibilities of the sub-recipient. This contract also states performance goals that the organization is expected to meet. As a project progresses, grantees are required to submit monthly reports. Staff makes quarterly on-site visits to each funded project. They discuss the project's progress with managers and examine records. All CDBG funded sub-recipient projects are required to demonstrate a minimum of low to moderate-income benefit ratio of 70%. To ensure grantees achieve this, the City requires them to focus on providing services to residents of officially designated community development target areas with high concentrations of low-to-moderate income residents. Sub-recipients are also required to make a mid-year report and/or appearance before the Citizen Advisory Council (CAC) at one of its regular meetings to ensure performance measures are being met and funds are expended in a timely manner.

Procedures have been developed by the Department to ensure that all projects and programs funded with CDBG and HOME funds meet required regulations. Households or individuals receiving assistance through a housing program must submit an application that is reviewed by the department's staff to verify eligibility. Examples of specific compliance requirements are given below.

Affordable Housing

Admiral Pointe - In order to verify compliance with property standards and the information submitted by owners on tenants' incomes, rents and other HOME rental requirements during the project's period of affordability, HOME rules require on-site inspections of HOME properties according to the total number of units in a project. Because Admiral Pointe is comprised of a total of 54 units, annual inspections are required. A minimum of 20% of the HOME-assisted units in the project is inspected and a minimum of one unit in every building. CD&H plans to utilize the Guide for Review of Rental Projects checklist provided by HUD as a resource during monitoring to ensure adequate recordkeeping is in accordance with all federal requirements.

CHDOs – To address new requirements specified in HUD Notice CPD-12-007, CHDOs shall be evaluated on an annual basis by the Affordable Housing Manager (or his designee) to determine the organization's fiscal soundness and staff underwriting/development experience. The evaluation criteria shall include, but not limited to, the following:

1. Progress on development projects to date;
2. Capacity of staff to accomplish contract goals;
3. Fiscal management; and
4. Continued good standing with the State.

Lead Hazard Control – A primary goal of the City's Lead-Based Paint Hazard Control Program is the elimination and/or control of identified lead hazards. Housing for low to very-low income families with children under six years of age (with a priority given to units occupied by children with an Elevated Blood Lead Level) is given highest priority. To ensure that this program is compliant with its Notice of Funding Availability (NOFA) and HUD regulations, CD&H shall do the following:

- Review work write-ups to ensure that the prescribed work addresses components that are found to be lead hazards. Any additional work required (e.g., to meet minimum housing inspection standards) will be addressed with CDBG, HOME or General Funds.
- Other compliance items such as income verification, income eligibility, affordability period, and procurement shall follow the department's standard operating procedures.

D. Fair Housing

Fair housing is the right of individuals to obtain the housing of their choice, free from discrimination based on race, color, religion, sex, disability, familial status, national origin, and, depending on the circumstances, age. This right is assured by the Federal Fair Housing Acts of 1968 and 1988, as amended, which make it unlawful to discriminate in the sale, rental, financing, and insuring of housing. Under the Fair Housing Act an aggrieved person may, not later than one year after an alleged discriminatory housing practice has occurred, file a complaint directly with the U.S. Department of Housing and Urban Development (HUD), or a state or local agency that enforces laws that are “substantially equivalent” to the Fair Housing Act. Upon the filing of such a complaint, HUD has the responsibility to serve notice of the complaint and conduct an investigation into the alleged discriminatory housing practice. The Fair Housing Act declares, “It is the policy of the United States to provide, within Constitutional limitations, for fair housing throughout the United States.” In addition, the law directs all executive departments and agencies to administer their programs and activities related to housing and urban development in a manner that affirmatively furthers the purposes of the Act.

The U. S. Department of Housing and Urban Development requires that all state and local governments participating in their programs submit an analysis of impediments to fair housing (AI). The City of High Point has completed this requirement with assistance from Mullin & Lonergan, Assoc. (M&L). Mullin & Lonergan’s services were engaged to assure HUD and the community that the City is working to ensure that efforts are being made to “affirmatively further fair housing” as set forth in the regulations governing the Community Development Block Grant Program and Title VIII of the Fair Housing Act. The analysis of impediments to fair housing choice identified several impediments that could play a role in prohibiting fair housing choice in High Point. Based on these findings, the City must take appropriate actions to overcome the effects of the impediments identified through the analysis. In conducting the analysis of fair housing choice for the City of High Point, M&L completed a comprehensive review of policies, practices, and procedures that affect the location, availability, and accessibility of housing and current residential patterns and conditions. The analysis includes an examination of existing studies and literature along with a review of public policies from a fair housing perspective. M&L evaluated all the data for effectiveness of existing fair housing activities and examined barriers to fair housing choice for protected classes. Based upon the analysis, M&L provided this report of the findings and recommendations for remedies. The current analysis of impediments to fair housing identifies the following issues which impede the City’s ability to affirm fair housing choice and equal opportunity:

- Lack of appropriate local legislation to address fair housing issues;
- Concentrated fair housing complaints that affect the disabled;
- Lack of cooperation and coordination between public and private agencies on fair housing matters;
- Lack of appropriate training and education for residents about the meaning of fair housing and fair housing rights;
- Zoning regulations preclude the development of affordable housing for affected populations;
- Lack of affordable housing in various types and price ranges;
- Lack of public policy in support of affordable housing

In the fall of 2007, High Point’s City Council voted to enact Fair Housing in High Point. The Human Relations Commission has voted to expand its Fair Housing Committee (FHC) to include members of the public sector who do not sit as human relations commissioners. Last year, invitations for membership to the FHC were issued to the High Point Housing Authority, High Point Housing Coalition, and the Triad Apartment Association (TAA). Fair Housing committee members are Ron Butler, Angela McGill, Cam Cridlebaugh, Steve Key, Mary Gwyn, and Milagros Amaro.

The Human Relations Department is in the process of submitting an application to HUD for Substantial Equivalency Certification, which would designate our department as a Fair Housing Administrative Program (FHAP) agency. This designation means that a State or local agency has the ability to enforce a local law that provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the federal Fair Housing Act. In addition, the department is currently researching Fair Housing Initiative Program (FHIP) grants and is in conversation with HUD about becoming an FHIP agency until our FHAP status is approved.

To better serve the community, the department has relocated to the second (main) floor of City Hall. The new space has a conference room for conducting training, educational programming, mediations, and an expanded resource area. The department has also added an additional position of Human Relations Specialist, who is responsible for fair housing education, outreach, and investigations. The Human Relations Department is working to develop a Fair Housing & Equal Opportunity educational program.

The Human Relations Department celebrates Fair Housing Month each April. The Department will be working closely with the City of High Point's Community Development & Housing Department to implement the educational component of lead abatement, recognizing that potential fair housing concerns exist related to properties containing lead-based paint hazards.

E. Discharge Policy

The City of High Point does not expend funds directly or indirectly to public institutions and/or systems of care that may discharge persons resulting in homelessness of such persons. The City, however, provides technical assistance to organizations that serve the homeless. The city's Community Development and Housing Department works closely with the High Point Housing Coalition, a task force of homeless shelters and supportive service providers. The city played a leading role in establishing the Housing Coalition and a department staff member continues to provide technical assistance and other support to the group. The City also utilizes its CDBG program to fund public service activities that are available to Homeless Service Providers.

The City of High Point has a Relocation Assistance Plan that ensures uniformity in aiding persons displaced by Minimum Housing Code Enforcement. Extra steps are made to minimize displacement to tenants. Minimum Housing Code provides owners and property managers with ninety days to repair their substandard units. Failure to comply results in notification to owners and tenants that the unit will be placarded and closed immediately after the tenant vacates the structure (thirty days to vacate). Correspondence and a Relocation Assistance brochure (explanation of the relocation program) are personally given to displaced households applying for assistance to ensure their understanding of their rights within the relocation process.

Assistance is available to both renters and homeowners who are required to move from their homes due to the enforcement of the City's minimum housing code. Funds may be used to pay moving expenses and/or rental security deposits. The number of rooms in the substandard unit determines relocation benefits.

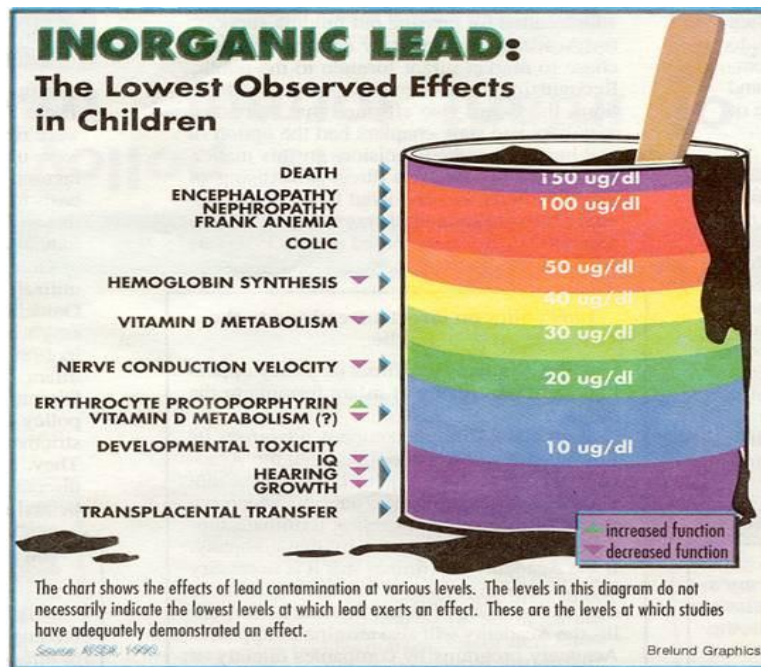
VI. Other Activities

The next several pages detail programs funded by additional grants awarded to the Community Development & Housing Department.

| | | |
|-----------------|------------------------------------|---------------------|
| Housing: | Lead Hazard Control Funds | \$ 1,000,000 |
| | Individual Development Accounts | 57,500 |
| | NSP Lease Purchase | 409,000 |
| | Section 108 Loan Guarantee Program | 1,350,000 |
| | Construction Training Partnership | 65,000 |
| CNDD: | Shelter Plus Care | 77,352 |
| | VITA | 4,000 |
| TOTAL: | | \$ 2,962,852 |

The City has receives funds for additional activities through competitive and non-competitive grants. These funds enable enhancement and expansion of current efforts to create safe, healthy and sustainable neighborhoods. Lead Hazard grant funds will fund education materials and activities; inspections and risk assessments; remediation services, and clearance of lead in homes built before 1978. Individual Development Account funds educate residents to build wealth through saving and planning, leading ultimately to the purchase of their own home. Shelter Plus Care addresses the needs of the of the chronically homeless in collaboration with Open Door Ministries as part of CD&H's involvement with Guilford County's 10-year Plan to End Homelessness. The Section 108 Loan Guarantee program will enable additional housing to benefit low-to-moderate-income residents.

A. Lead-Based Paint Hazard Remediation



| | |
|-----------------------|---|
| Budget: | \$1,000,000 |
| Activity: | Lead Hazard Control |
| Source: | HUD |
| National Objective: | Low and Moderate Income Housing |
| Eligibility Citation: | 24 CFR Part 35, "Lead-based paint poisoning prevention in certain residential structures" |
| Goal: | Conduct lead hazard control work activities |
| Objective: | Conduct lead hazard control activities on 109 units |
| Outcome: | Lead-safe residences |
| Performance Measures: | Number of lead remediations |

During the course of most rehabilitation activities, whether emergency, limited or comprehensive in scope, it is likely that painted surfaces will be disturbed. The department conforms to the federal mandate established by Title X of the 1992 Housing and Community Development Act that HUD funded programs, including Housing Rehabilitation Programs; incorporate lead-based paint hazard evaluation, remediation/reduction strategies and

clearance requirements for all housing structures built before 1978. Over 85 % of United States residential housing built before 1978 contains some lead-based paint. The estimated number of affected households in the US is believed to exceed 60 million. At the time of the 2010 Census, the City of High Point's housing demographics indicated approximately 69% of local housing stock, approximately 20,970 residential structures, was built before 1978.

Lead is a dangerous and pervasive poison. Anyone at any age, even pets, can become poisoned by lead. Because lead is harmful to the developing brain and nervous system, exposure to lead is especially dangerous to fetuses and young children. Research conducted by Duke University's Nicholas School of the Environment and Earth Sciences demonstrates that lead causes irreversible, asymptomatic effects far below levels previously considered safe. Low-level lead exposure, including prenatal exposure, has been linked to decreased performance on standardized IQ tests and end-of-grade testing for school-aged children.

Children are not uniformly exposed to lead. The age of the child, race/ethnicity, socioeconomic status, and age of housing all play a role in the risk of exposure to and development of childhood lead poisoning. Children living in poverty are four times more likely to have elevated blood lead levels than children from wealthier families. Children with elevated blood lead levels are not distributed evenly; rather, they are disproportionately located in older neighborhoods. Due to their overrepresentation in lower income neighborhoods, African-American children are four times more likely to have elevated blood lead levels than white children. Nationwide, more than one-third of African-American children living in large central cities have elevated blood lead levels.

To reduce the potential for adverse health effects attributable to the rehabilitation of deteriorated lead-based paint surfaces, the City provides educational material to all rehab customers. All customers receiving housing rehabilitation assistance from the city are informed about the potential health hazards posed by the presence of deteriorated lead-based paint. They are provided with information about protecting their families from this hazardous substance. Project Managers, who oversee rehabilitation projects, are trained to incorporate proper hazard reduction techniques into the treatment of lead-based paint.

HUD Lead-Based Paint Hazard Control Grant Award

On September 15, 2011 HUD announced a \$2.475 million Lead-Based Paint Hazard Control Grant award to the City of High Point to continue the Department's on-going Lead-based Paint Remediation Program on private residential housing serving very low to moderate income families. The City's on-going lead remediation program begun in 2008 has resulted in 267 residential units made "lead safe."

Goals and Objectives: the City's primary goal is the elimination and/or control of identified lead hazards in one hundred eighty (180) housing units involving very low to moderate families with children under six years of age, with a priority given to units occupied by children with an Elevated Blood Lead Level. Other ongoing objectives include:

- 1) Increase the number of children screened for lead poisoning;
- 2) Increase public awareness of lead-based paint prevention through a *Lead Safe High Point* Initiative;
- 3) Promote primary prevention strategies for families with children under six years of age who have low-level lead poisoning of 5 µg/dL < 9 µg/dL (micro grams per deciliter);
- 4) Promote NC Department of Public Health's Preventative Maintenance Program;
- 5) Provide EPA certified Lead Supervisor/Worker and Renovation, Repair and Painting Rule training to contractors, management companies, building inspectors and others;
- 6) Promote comprehensive fair housing initiatives, in cooperation with the City Human Relations Department, to housing providers, civic and community-based organizations, and elected and appointed officials;
- 7) Updates to the city web-based Safe Housing Registry.

Eligible Residential Housing Units: the program is available to all housing units City-wide occupied by income eligible families. However, six census tracts/neighborhoods located in the Core-City that have socioeconomic and environmental risk factors which demonstrate the likely prevalence of lead-based paint exposure (including age of housing, poverty, crime, low educational scores, and concentrated ethnicity) will be targeted as follows: Tract Number (Neighborhood) 136.02 (Five Points & Montlieu); 138 (Washington Street); 139 (East Central); 140 (Southside & West End); 142 (Macedonia), and 143 (Highland Mills & Ward Avenue). Current data confirms a higher concentration of children with blood lead poisoning within these tracts. Applicants must meet each of the following criteria: 1) Residential building was constructed prior to 1978; 2) occupied by very low to moderate income person or family; 3) contains lead-based paint, dust or soil.

The following free services will be available to eligible applicants:

1. **Lead Inspection:** an analysis of all coated surfaces to confirm the presence of lead paint coatings (paint, varnish, shellac) in a dwelling for lead with an x-ray fluorescence analyzer – an electronic device used to find lead-based paint.
2. **Risk Assessment:** an analysis report explaining the results of the inspection and to confirm the presence of lead-based paint hazards.
3. **Remediation Services:** activity which eliminates or controls lead paint hazards that have/can cause poisoning.

4. ***Clearance:*** an environmental test to confirm, by a visual inspection (exterior) and taking dust samples (interior) that lead-based paint hazards have been remediated and that proper clean up using Lead Safe Work Practices has occurred.

The City of High Point has established the following prioritization schedule for identified units:

- referrals from the Guilford County Health Department confirming presence children less than six years of age identified with elevated blood lead levels
- presence of children less than six years of age as part of a Primary Prevention Program, a proactive approach to control lead hazards before children are poisoned
- housing units located in the identified targeted areas;
- Cost Value Benefit (remediation vs. structure value);
- degree of lead hazards;
- housing units earmarked for existing rehabilitation programs; and
- housing units located outside of the targeted areas.

The City of High Point Community Development & Housing Department has affirmed support of Healthy People 2020, a national initiative comprised of state and federal goals to improve the state of health for all US citizens and to end lead-based paint poisoning by 2020.

North Carolina Construction Training Partnership Program

Since 1995 the North Carolina Home Builders Association (NCHBA), the North Carolina Housing Finance Agency (NCHFA) and units of government have conducted this successful occupational training program for jobs in construction while also providing much needed housing rehabilitation and new construction services in communities. A pre-apprentice completes an 8-week class, concentrating on framing, tools use, blueprint reading, building materials, job safety and other construction techniques. The City of High Point allows pre-apprentices to work on affordable housing being constructed or renovated for low-to-moderate income residents. NCHFA matches the City's investment dollar for dollar.

This program is for two 8-week occupational training classes (one held in the fall 2013 and one in the spring of 2014), one in Southside and one in the Graves Street area. Adult students learn work ethic, safety, math, green building, weatherization, framing techniques and other construction tasks using the Pre-Apprenticeship Certificate Training (PACT) curriculum. Graduates earn an industry-recognized Pre-Apprenticeship Certificate. PACT includes theory and practice of home building with focus on safety. PACT teaches craft skills combining classroom and hands-on training on the jobsite.

B. Individual Development Accounts Program

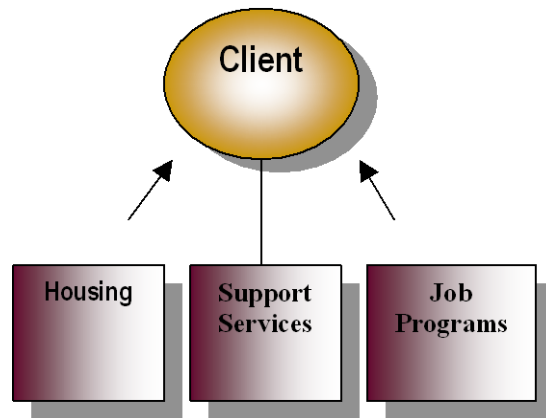


| | |
|------------------------------|--|
| Budget: | \$57,500 |
| Activity: | Assistance toward home purchase |
| Source: | CDBG |
| National Objective: | Low-Mod Benefit |
| Eligibility Citation: | 570.201 (n) |
| Goal: | Personal financial literacy; homeownership |
| Objective: | Assist 10 households (Create Economic Opportunities) |
| Outcome: | Affordability |
| Public Service Access | Improved |

According to the NC Housing Coalition, the idea for Individual Development Accounts (IDA) was created by author Michael Sherraden in his 1992 book, *Assets and the Poor*. It was further advanced by the Corporation for Enterprise Development in the mid 1990's. One half of all Americans own less than \$1,000 in net financial assets, and one third of American children grow up in households with zero or negative financial assets. Individual Development Accounts (IDAs) are part of an asset-building strategy that concentrates on building family security by improving long-term economic well-being and emphasizing beneficial behaviors rather than merely offering temporary assistance.ⁱ The homebuyer makes a contribution to their IDA account that is then matched with private and/or public resources. Under 24 CFR 570.201 (g), CDBG funds can be used as the required match as long as the homebuyer qualifies as a low- and moderate-income household at the time the CDBG assistance is provided. IDAs can be used to reward the monthly savings of working-poor families who are building towards purchasing an asset, most commonly buying their first home, paying for post-secondary education, or starting a small business. The City's focus with the IDA program is home ownership. IDAs are savings accounts established in the homebuyer's name, held at local financial institutions, and usually managed by a community organization. CD&H records indicate that most graduates of the Homebuyer Education Program have not purchased a home over the last three years, indicating that additional financial training is needed to help potential low-to-moderate income homebuyers in High Point. The City will partner with Guilford County Homeownership Center (GCHC) to continue an IDA program specifically for High Point. Financial literacy classes will be held at the Macedonia Family Resource Center for potential homebuyers who have attended the homebuyer education classes and who realize they need additional training in financial management.

In response to the higher lending standards as a result of the economic downturn, the Department determined the IDA Program needs to increase focus on spending patterns, the ability to maintain a monthly budget, the ability to save money monthly, and the establishment of an emergency fund to enhance the homebuyer's ability to get a home loan. The habit of saving and planning for unexpected events is imperative to the future success of the IDA graduates. In an effort to allow for other innovative housing opportunities, GCHC along with the City of High Point Community Development and Housing will begin to partner homes acquired through the Neighborhood Stabilization Program with potential homeowners who receive education through IDA. Families participating in Lease Purchase Program facilitated by CHDO Unity Builders have also been identified as IDA participants. The IDA program provides these families with the tools necessary to become mortgage ready by lease end. Making homeownership tangible to participants will allow for greater successes.

C. Shelter Plus Care



| | |
|-------------------------------|---|
| Budget: | \$77,352 |
| Activity: | Permanent Supportive Housing for the Homeless |
| Source: | Homeless Assistance Programs |
| National Objective: | Low to Moderate-Income Limited Clientele |
| Eligibility Citation: | 24 CFR 570.201(p), 208(a)(2) and 582 |
| Goal: | Provide long-term housing and supportive services homeless persons with disabilities |
| Objective: | Provide permanent shelter for homeless individuals for 5 years. (Creating Economic Opportunities) |
| Outcome: | Sustainability |
| Public Service Access: | Improved |
| Performance Measures: | Projected number of persons to be served- 11 |

The City of High Point serves as the fiscal agent for the Shelter Plus Care Program with Open Door Ministries serving as the service provider. The program is entering its seventh year and currently assists 12 homeless individuals with disabilities to obtain housing stability and address their supportive service needs. This year the program will successfully graduate two individuals who will exit the program to permanent housing. One client has obtained a Section 8 voucher and is no longer in need of supportive services. Another client has become stable and has obtained multiple federal benefits and he now believes that he is ready to move out on his own. Open Door Ministries will continue to provide ongoing supportive services from obtaining furniture to ensuring clients receive proper medical care.

The City provides yearly inspections at each residence to ensure compliance with HUD quality standards, processes rent, utility, and gas payments. Open Door Ministries will provide case management, direct supportive services, and maintain the services provided documentation for each client. Clients who receive disability payments from the federal government are required to make prorated rent payments. Anticipated revenue for the next fiscal year is approximately \$5,897.00 from four clients. Open Door Ministries will be assisting remaining clients to apply for Social Security Disability payments. If Open Door Ministries succeeds in securing these disability payments, the revenue will be added to the program funds. When this revenue amount is substantial, another client will be added to the program. To provide a more direct door to permanent housing, the High Point Housing Authority is expected to take over as fiscal agent for the grant this coming year. The City of High Point will be working to ensure a smooth transition for our clients and service providers.

D. NSP Lease Purchase Program

\$409,000

In the summer of 2009 the City of High Point's application for Neighborhood Stabilization Program (NSP) funding was approved. The program, authorized under the Housing and Economic Recovery Act of 2008, was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. NSP provided grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and prevent the further decline of house values of neighboring homes.



The City of High Point realized the goal of the program was more than a means to acquire and redevelop foreclosed properties: it was an opportunity to help rebuild neighborhoods hardest hit by foreclosure with new qualified and able homeowners. An important aspect of the program is that all homebuyers are required to attend homebuyer education classes. These classes help ensure that buyers gain a strong financial foundation and prevent mortgage defaults, and foreclosures, in the future.

The City used NSP funds to purchase 9 homes with the intent to sell to very low income, first-time homebuyers but has had difficulty

selling the single family homes due to insecurity in the job market coupled with potential buyers who unable to meet criteria currently set by the lending industry. Under NSP program guidelines, if the City is unable to sell NSP-assisted homes, alternatives such as lease purchasing or rentals must be considered to ensure the properties benefit low income families. Consequently, the City will make the remaining properties available to income eligible buyers on a lease-purchase basis.



Eligible families are identified and enter into a Lease Purchase Program for 1 year while they prepare for homeownership. During the 12 months, the lessee will participate in the IDA Program to receive aggressive financial literacy training in the form of credit counseling, budgeting and saving in preparation to become mortgage ready. The participants will also be required to participate in one-on-one housing counseling to address immediate financial needs. The City will pull from a pool of eligible tenants from the City's Housing Authority as well as participants in the Homebuyer Education Classes facilitated by Consumer Credit Counseling Service. As the participants make their asset purchase, program income will be used to acquire additional foreclosed properties. These properties will be redeveloped and made available to potential buyers who require additional resources to become mortgage ready.

HUD Section 108 Loan funds/LIHTC (Low Income Housing Tax Credit)

PHOTO????

| | |
|------------------------------|---|
| Budget: | \$1,350,000 |
| Source: | Section 108/CDBG |
| Activity: | Public Improvements |
| National Objective: | Benefiting low- and moderate-income persons |
| Eligibility Citation: | 24 CFR 570.703 |
| Goal: | Construction of 58 units for low-income residents |
| Objective: | Provide decent housing; suitable living |
| Outcome: | Affordability |
| Performance Measure: | 58 Units |

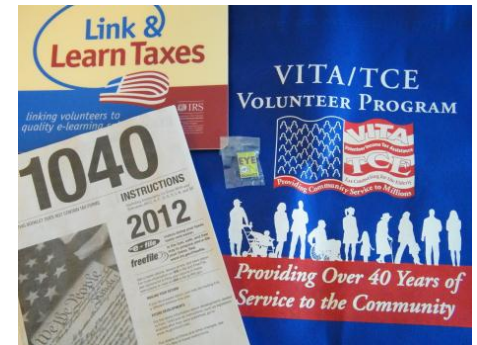
Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. The program allows local governments to transform a small portion of their CDBG funds into large, federally guaranteed loans for eligible projects such as funding public improvements in support of Low Income Housing Tax Credit (LIHTC) projects.

In 2010, the City received a \$3,907,000 Section 108 loan guarantee to leverage private funding from local banking institutions to create and maintain a Small Business Loan program. However, due to market demand, the City is in the process of modifying its Section 108 application to expand the utilization of these proceeds to further benefit low- and moderate-income residents of High Point to finance public improvements to support multi-family housing initiatives.

The City will partner with experienced for-profit and non-profit developers of multi-family housing, particularly those with experience in securing LIHTC for proposed projects. For example, the City partnered with High Point-based Wynnefield Properties to construct and manage Admiral Pointe, a 54-unit affordable housing development for the elderly (age 55 & up), which completed construction in December 2012. As a follow up to Admiral Pointe, the City proposes to partner with Wynnefield to support the development of another affordable housing facility that will serve low- to moderate-income beneficiaries. Wynnefield has submitted a preliminary LIHTC application to the NC Housing Finance Agency and intends to submit a final LIHTC application to be considered in the upcoming funding round (application due date of May 2013).

E. Volunteer Income Assistance Program (VITA) \$4,000

C&NDD continues to offer free tax preparation for low-to moderate-income individuals. The IRS Volunteer Income Tax Assistance (VITA) program offers services six days a week free of charge to High Point and surrounding areas. It expects to file over 400 total federal returns this year. Partnerships include: the United Way of High Point, High Point University, Guilford Technical Community College, West End Ministries, and Macedonia Family Resource Center. The program also provides college students with hands-on experience in tax preparation and volunteer service and will increase awareness of the Earned Income Tax Credit and Child Tax Credit. The three VITA sites this year are Community and Neighborhood Development Center at 201 Fourth Street, West End Community Center at 901 English Road, and Macedonia Family Resource Center at 401 Lake Avenue.



F. Harmony House

This program, awarded to Family Service of the Piedmont, provides a safe, neutral and family-friendly means of supervised visitation and safe exchange service for victims of domestic violence, child abuse, sexual assault, teen dating violence, and stalking. The program will serve families in Guilford County and surrounding counties as appropriate. The US Department of Justice Office on Violence Against Women will play a substantial role in shaping and monitoring the program. The City of High Point will work collaboratively in planning implementation phases along with Harmony House, Family Service of the Piedmont and the 18th Judicial District Court. The City serves as the pass-through for funds, with CNDD overseeing day-to-day grant management/fiscal responsibilities for the City.

VII. Glossary of Terms

Affordable Housing: Affordable Housing is generally defined as housing where the occupant, who is low to moderate income, is paying no more than 30 percent of his or her income for gross housing costs, including utilities.

Community Development Block Grant Program (CDBG): Authorized by the Housing and Community Development Act of 1974 replacing several community development categorical grant programs. CDBG provides eligible metropolitan cities and urban counties (called "entitlement communities") with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

Community and Housing Development Organization (CHDO): A federally defined type of nonprofit housing provider that must receive a minimum of 15 percent of all Federal HOME Investment Partnership funds. The primary difference between CHDO and other nonprofits is the level of low-income resident participation on the Board of Directors.

Consolidated Plan: Developed by local and state governments with the input from citizens and community groups, the Consolidated Plan serves four functions:

- it is a planning document for each state and community, built upon public participation and input;
- it is the application for funds under HUD's formula grant programs (CDBG, HOME, ESG, and HOPWA);
- it outlines out local priorities; and
- it provides a 3-5 year strategy the jurisdiction will follow in implementing HUD programs.

Down Payment: The part of the purchase price of a property that the buyer pays in cash and does not finance with a mortgage.

Debt-to-income ratio: Percentages lenders use to decide whether a loan applicant can afford to make payments on a certain mortgage loan. Lenders may allow first-time homebuyers to use 33% of monthly income for housing costs, and a total of 38% for housing costs and all other debt.

Entitlement: An underlying formula governing the allocation of Block Grant funds to eligible recipients. Entitlement grants are provided to larger urban cities (i.e., population greater than 50,000) and larger urban counties (greater than 200,000).

Extremely low-income family: Family whose income is between 0 and 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Fair Market Value: The highest price that a buyer, willing but not compelled to buy, would pay, and the lowest a seller, willing but not compelled to sell, would accept.

Fair Market Rents (FMR): Rent Schedules published in the Federal Register that establishes maximum eligible rent levels allowed under the Section 8 program by geographic area.

Family: All persons living in the same household who are related by birth, marriage or adoption.

Gross income: The total amount of money that a person receives, before taxes and other deductions. This income may include funds from a job or jobs; interest or dividends; alimony; disability payments; or public assistance.

HOME: Provides funds to local governments and states for new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers, and tenant-based rental assistance.

Housing expense ratio: The percentage of a person's gross monthly income that it takes to pay a mortgage loan payment plus interest, property taxes, and insurance. Lenders use this ratio to decide whether or not to make mortgage loans.

Household: All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Low-income families: Low-income families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings. Such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Low- and moderate-income household: A household having an income equal to or less than the Section 8 low-income limit established by HUD (80% of the median family income).

Low- and moderate-income person: A member of a family having an income equal to or less than the Section 8 low-income limit established by HUD (80% of the median family income). Unrelated individuals will be considered as one-person families for this purpose.

Mixed-Income: Refers to a resident mix that includes families with various income levels within one development. Mixed-income developments combine public housing families with other residents in order to decrease the economic and social isolation of these families.

Moderate-income: Households whose incomes do not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families.

Monthly housing costs: The total of a homeowner's mortgage loan payment and expenses for utilities, general home repair, and upkeep.

Program income: gross income received by recipient or subrecipient directly generated from use of CDBG funds and HOME funds.

Property inspection: The examination of a house by a licensed inspector to see if its structure is sound and if its mechanical systems, such as plumbing and heating, are working.

Public Housing Agency (PHA): Organization created by local government, which administers HUD's Low-Income Public Housing Program and other HUD programs.

Rehab: Short for "rehabilitation." Rebuild an existing house or building, to make the space more livable or usable and more valuable.

Second mortgage: A mortgage that has rights that are subordinate to the rights of the first mortgage holder.

Section 8: HUD assists low- and very low income families in obtaining decent, safe, and sanitary housing in private accommodations by making up the difference between what they can afford and the approved rent for an adequate housing unit.

Specifications: A detailed description of the size, shape, materials, and other details of a building or remodeling project.

Total monthly debt: Total amount of monthly credit card, car loan and other debt payments. Used to determine debt-to-income ratios.

Total monthly income: The amount of money that comes into a household every month from a job or jobs, interest or dividends, alimony, disability payments, and public assistance. A lender uses the total monthly income figure to decide how much house payment a loan applicant can afford. Also called gross monthly income.

Transitional housing: Housing that is designed to provide housing and appropriate supportive services to persons, including (but not limited to) de-institutionalized individuals with disabilities, homeless individuals with disabilities, and homeless families with children; and has as its purpose facilitating the movement of individuals and families to independent living within a time period that is set by the participating jurisdiction or project owner before occupancy.

U.S. Department of Housing and Urban Development (HUD): A federal government agency responsible for managing many of the nation's housing programs and for protecting rights of homebuyers, homeowners, sellers, and renters.

Underwriting: The process of analyzing a borrower's finances and credit in order to decide whether or not to make a loan. The underwriter is the person who has authority to approve a loan.

Unsecured credit: Credit not secured by property (such as a house). A credit card is unsecured debt; Deed of Trust secures a mortgage loan.

VA loans: A loan that is guaranteed by the Veterans Administration.

Very low-income families: Low-income families whose annual incomes do not exceed 50% of HUD-determined median family for the area.

Warranty: A guarantee by a seller or manufacturer that a product is what it is claimed to be, that it is in working order, and, in some cases, that the seller or maker will repair the product.

Zoning: A body of public law that regulates the use, placement and height of improvements, size of lots in subdivisions, off-street parking, and other planned uses of private property.

Comments from February 16th Community Meeting

- Boarded up restaurant across from GTCC on South Main Street is an eyesore
- Need a senior citizen housing complex in Southside
- What is the status of old Presbyterian Home property at 5 Points
- What is the status of 600 Vail Avenue (abandoned church); is CD &H going to purchase? (not decided...)
- There are still crime issues on Washington Street & neighboring areas

Comments from March 1st Community Meeting

- Oakview area doesn't get quick police response; there's fear of retaliation for those who dare to call the PD
- There is a perception that the PD will not take reports
- What's the status of the 10-year plan to end homelessness? (still on tract...)
- What's the state of mental health care, state & county? (being privatized...)
- What happens to demolished homes/properties? (still belongs to owner who is responsible for upkeep...)
- Abandoned church at 602 James Road is still there; what's the holdup in condemning it?
- Is it possible to get City-funded meeting announcement signs for neighborhood associations?

IX. Certifications

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about –
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will –
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.



Signature/Authorized Official 5/9/2011
Date

City Manager
Title

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available;
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) , (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

Compliance with Laws -- It will comply with applicable laws.



Signature/Authorized Official 5/9/2011
City Manager Date

OPTIONAL CDBG CERTIFICATION

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c): The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.



5/9/2011
Date

Signature/Authorized Official
City Manager

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this

purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

5/9/2011
Signature/Authorized Official Date
City Manager



APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance: *City of High Point, 211 S. Hamilton Street, High Point NC 27260*

Check if there are workplaces on file that are not identified here. The drug-free workplace certification is required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15); "Conviction" means a finding of guilt (including a plea of no lo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes; "Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance; "Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of sub-recipients or subcontractors in covered workplaces).



Signature/Authorized Official
City Manager

5/9/2011
Date

ADDENDUM: Recapture Provisions

The City of High Point's HOME program activities include acquisition, rehabilitation, new construction of multi-family rental housing and new construction of single-family for-sale housing to individual low-income homebuyers and down payment assistance. HOME development subsidies are also provided to developer partners for the construction of affordable housing. Development subsidies are structured as grants whereas HOME assistance provided to homebuyers are structured as low to zero interest deferred payment loans. The table below summarizes the list of HOME assisted programs.

Home Activities for Recapture/Resale Provision

| Activity | Description | Recapture/Resale |
|----------------------|--|-------------------------|
| Homebuyer Assistance | Down Payment and Closing Cost Assistance | Recapture |
| CHDO | Development Subsidy | Resale |
| LIHTC-Admiral Pointe | Development Subsidy | Resale |
| Infill Development | Development Subsidy | Resale |

In accordance with the applicable homebuyer recapture/resale provision outlined in 24 CFR Part 92.254(a)(5), the City of High Point will apply the following recapture provisions for HOME-assistance used to provide direct subsidies to income eligible homebuyers. Under the recapture option, the period of affordability will be based upon the direct HOME subsidy to the homebuyer. The direct subsidy to the homebuyer is the amount of HOME assistance that enabled the homebuyer to buy the unit. The direct subsidy includes down payment, closing cost, interest subsidies, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price. The City's recapture provisions are summarized below:

1. A HOME Recapture Agreement between the original homebuyer and the City must be signed prior to purchase to document the amount of HOME subsidy, the period of affordability restrictions and homebuyer responsibilities.
2. The new purchaser must be low or moderate income, meeting the HOME Program definition, and occupy the property as the family's principal residence during the entire period of affordability.
3. A Deed of Trust and Promissory Note will be executed and recorded by the City. It must include the number of years for Period of Affordability, the amount of HOME subsidy it used for the Homebuyer, and the terms of occupancy required as their principal residence.
4. Recapture is triggered in the event that the house is sold or occupied by other than the new purchaser during the period of affordability. Non-compliance with the residency requirement will require the immediate payback of outstanding HOME funds not repaid or forgiven.
5. Pre-payment of the HOME Investment loan does not terminate the Period of Affordability. The owner will be required to complete the Period of Affordability as their principal residence. The exception to this is the sale of the residence or foreclosure.
6. For a paying loan, the recapture amount shall be the balance of funds owed on the loan. For a deferred/forgivable loan, the recapture amount will be determined on a pro-rated basis based on the period of affordability, times the number of each remaining (partial and full) years left in that period.

The City will require the recapture of the direct HOME subsidy from net proceeds when there is a voluntary or involuntary sale of the property during the affordability period. Net proceeds are the funds remaining from the sale of the property by the original homebuyer less the repayment of the outstanding balance on any superior mortgage, sales commission, the original homebuyer's down-payment and the cost of any property improvements made by the original homebuyer. To the extent that net proceeds are available at closing, all or a portion of the HOME funds are due and payable. In the event of foreclosure, the Lender may not require the Borrower to repay an amount greater than the net proceeds available after the foreclosure sale.

HOME funds recaptured by Community Housing Development Organizations (CHDO), on behalf of the City of High Point, will not be considered as CHDO

proceeds but shall be used by the CHDO's to provide affordable housing for City of High Point. Not more than 10 percent of recaptured funds may be used for CHDO administration. Recaptured HOME funds provided by an agency other than a CHDO will be recaptured by the City of High Point to be used for eligible HOME activities in accordance with requirements of HOME statute and regulations in the same manner as program income. Not more than 10 percent of the recaptured funds may be used by the City for administrative or planning costs.

All homeowner assistance funds shall be provided as deferred or amortized loan as evidenced by a note secured by a deed of trust on the property. A declaration of deed restriction will be executed indicating the entire amount of the loan that shall be due and payable, if the homebuyer does not continue to occupy the property as their principal residence for the duration of the period of affordability ("recapture provision"). During the period of affordability, the homebuyer shall not be permitted to refinance the property without the approval of the City. The recapture provision shall be revoked if an ownership interest is terminated during the period of affordability by foreclosure, transfer in lieu of foreclosure, or assignment of a FHA-insured mortgage to HUD. If the owner thereafter obtained a redemptive interest in the property, the original affordability period resumes and continues until its term expires. The amount due to the City may also be forgiven to the extent allowed in the HOME regulations. The recapture provision ensures that each housing unit will remain affordable for a period of time determined by the schedule below, established in accordance with 24 CFR 92.254 (a) (4). The period of affordability is presented in the table below:

| HOME assistance amount per-unit | Minimum period of affordability in years |
|---------------------------------|--|
| Less than \$15,000 | 5 |
| \$15,000 - \$40,000 | 10 |
| More than \$40,000 | 15 |

During the period of affordability, a homebuyer will not be permitted to refinance the property without the approval of the City of High Point. Generally, subordination will not be allowed unless the primary purpose of the loan is for housing repairs or bill consolidation. High Point will subordinate loans only for a lower interest rate.

HOME Program Resale Provisions

The City will apply HOME the resale provisions outlined in 24 CFR Part 92.254(a)(5)(i) to administer its eligible HOME-funded CHDO activities for the development of affordable newly constructed single family homes and/or to acquire and rehabilitate existing homes to sale to income eligible homebuyers. As with recapture, the period of affordability will be based on the total amount of HOME funds invested in the housing to include any HOME program income used to assist in the project. HOME funds provided for these activities are solely for the development of the houses only, will not be used for the purpose of lowering the purchase price from fair market value to an affordable price, and no down payment assistance is provided; unless directly applied for from the homebuyer subsequent to the development of the house by the CHDO of which a direct HOME subsidy would then be provided to the respective homebuyer and the recapture provisions will be adopted for the full amount of the HOME subsidy only provided to the homebuyer. The enforcement mechanisms for resale and recapture provisions are summarized below in the table below.

| Activity | Description | Recapture/Resale | Enforcement |
|------------------------|--|------------------|-------------------|
| Homebuyer Assistance | Down Payment and Closing Cost Assistance | Recapture | Lien |
| Housing Rehabilitation | Home repairs | Recapture | Lien |
| CHDO | Development Subsidy | Resale | Deed Restrictions |
| LIHTC-Admiral Pointe | Development Subsidy | Resale | Deed Restrictions |
| Infill Development | Development Subsidy | Resale | Deed Restrictions |

Resale is triggered in the event that the house is sold or occupied by other than the new purchaser during the period of affordability. Non-compliance with

the residency requirement will require the immediate payback of HOME funds invested into the property unless the house is sold. Upon a Resale, if new HOME funds are provided to the subsequent buyer the Period of Affordability will be based upon HOME regulations. Pre-payment of the HOME Investment loan does not terminate the Period of Affordability. The owner will be required to complete the Period of Affordability as their principal residence. The exception to this is the sale of the residence or foreclosure. Enforcement of the City's HOME program resale provisions ensure that:

1. The property is sold to another low-income homebuyer who will use the property as his or her principal residence and enforcing the deed restrictions which shall also be recorded with the secured deeds of trust during the subsequent homebuyer's close on the property;
2. The original homebuyer receives a fair return on investment to include the homebuyer's down payment plus capital improvements made to the house;
3. The property is sold at a price that remains affordable to a reasonable range of low-income homebuyers by targeting low-income potential homebuyers who have received HUD certified homebuyer education training and/or homebuyers that are program qualified to purchase an affordable home by the City's certified CHDOs that average between 60% and 80% our area's median income, as well as in predominantly low-income or census tract identified neighborhoods where most of the City's affordable homes have been developed and are located that already have a pool of income-eligible homebuyers who also average between 60% and 80% our area's income median;
4. An upfront agreement between the original homebuyer and the City must be signed prior to purchase. This must state the amount of HOME subsidy, the Period of Affordability, and state the Fair Return equity sharing provision. A capital improvement list shall be attached;
5. The new homebuyer must be low or moderate income, meeting the HOME Program definition, and occupy the property as the family's principal residence during the entire period of affordability.
6. A Deed Restriction running with the land and Promissory Note must be executed and recorded. It must include the number of years for Period of Affordability, the amount of HOME subsidy it used for the Homebuyer, the terms of occupancy required as their principal residence, and the restriction of the property's sale to only HOME income-eligible buyers during the Period of Affordability.

A capital improvement list shall be included with the up-front agreement. Prior to any capital improvements being made during the Period of Affordability, the owner shall submit plans and specifications for approval as a capital cost. Capital improvements made without approval will not be credited within the Fair Return calculation. Affordable homes developed by the City's certified CHDOs shall have an initial purchase price that does not exceed 95 percent of the median purchase price for the City of High Point's metropolitan area in accordance to the Fair Housing Act (FHA), be the principal place of residency for a low to moderate income eligible homebuyer, and shall be subjected to HUD's resale provisions if the original homebuyer sells the property or makes any transfer of title, either voluntary or involuntary, during the established HOME period of affordability.

The City identifies and shall calculate a fair return on investment to be the total amount of any down payment assistance contributed by the homebuyer (initial investment) on a purchased HOME-funded housing unit plus the value of any home improvements determined to be considered a capital improvement plus a fair return on both the initial investment plus home improvements using the average change in the Consumer Price Index (CPI) over the period of ownership as its standard index for fair return on investment.

Amortization of down-payment assistance loans:

The City of High Point utilizes its HOME program funds to provide down payment and closing costs assistance to income eligible homebuyers. Terms are as follows:

- The City offers assistance up to \$5,000 for a home located within the High Point city limits. Loan repayment terms include a three-year deferment and a three percent (3%) interest rate payable over 5 years. The period of affordability over this period will be 8 years.
- Higher levels of assistance are available for specific targeted revitalization areas. A maximum level of \$7,500 is offered for a home located in the Macedonia, West End and Southside Redevelopment Housing areas. Loan repayment terms include a three-year deferment and a zero percent (0%) interest rate payable over 10 years. The period of affordability over this period will be 13 years.
- The city may at its discretion increase the level of down-payment assistance available in revitalization areas to expand the window of affordability.

The City only uses recapture for down-payment assistance.

Deferred vs. forgivable loans

The city utilizes deferred loan payments with homebuyer assistance to enhance the home-buying process. Deferment of the loan payments for three years excludes the transaction from the banks debt coverage analysis (which also widens the window of affordability) and helps the homebuyer stabilize their cash management practices as they adjust to homeownership. Many homebuyers use their income tax refunds to pay down or even pay off the down-payment assistance before loan payments are scheduled to begin. There is no penalty for early payment. The balance of a deferred loan becomes due in the event of a change of ownership or the property ceases to be the primary residence of the HOME beneficiary during the period the affordability.

Forgivable loans are based upon the amount of HOME assistance and secured by a lien will be placed on the property. The term of the forgivable loan will be based on the period of affordability. The balance of the loan will be forgiven incrementally on a monthly basis. At the end of the period of affordability, the loan balance will be zero and lien satisfied. Typically, forgivable loans are utilized for housing rehabilitation projects. The balance of a forgivable loan becomes due in the event of a change of ownership or the property ceases to be the primary residence of the HOME beneficiary during the period the affordability.

Loan subordination

The city of High Point will consent to loan subordination requests under the following circumstances:

- The homeowner is refinancing in order to reduce their rate thereby improving the affordability of the mortgage payment;
- The homeowner is consolidating debt in such a manner to reduce their overall debt load.
- The homeowner is will be conducting repairs on their home.

Under all of the above scenarios, the City will not agree to loan subordination if the homeowner is cashing out.

Enforcement of resale provisions:

Resale provisions are enforced with deed restrictions that run with the land.

ⁱ According to the NC Housing Coalition, the idea for Individual Development Accounts (IDA) was created by author Michael Sherraden in his 1992 book, *Assets and the Poor*. It was further advanced by the Corporation for Enterprise Development in the mid 1990's. One half of all Americans own less than \$1,000 in net financial assets, and one third of American children grow up in households with zero or negative financial assets